TURKISH PETROLEUM CORPORATION

Annual Report 2017

Annual Report 2017

We cannot close our eyes and assume that we are alone. We cannot isolate ourselves from the rest of the world. On the contrary, we shall live on the scene of civilization as a progressive and civilized nation. Such life is possible only through, science and technology.

Content

Trust in the Production

Continue to produce with determination


TÜRKİYE PETROLLERİ A.O.

Who We Are

Turkish Petroleum at a Glance

Since **1954**

Capital **5.2** Billion ₺

Daily Production **106** Thousand BOE

Number of Employees **3790**

Net Sales Revenue **2.23** Billion ₺

Recoverable Reserve **706** Million Barrels

Active in 5 Countries

AZERBAIJAN

IRAQ

AFGHANISTAN

RUSSIA

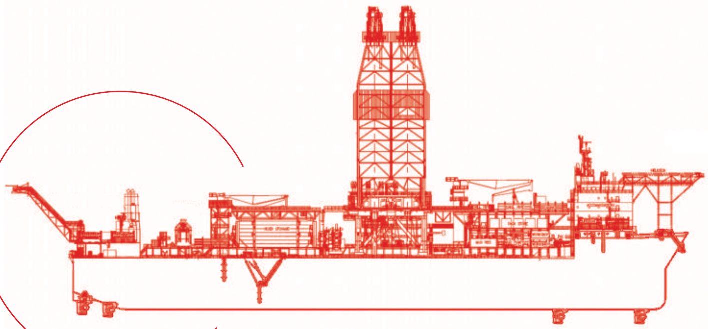
TRNC

First 3D Seismic Vessel

BARBAROS HAYREDDIN PASA

First Drill Ship

FATIH



Who We Are

2017 Domestic Investment

297 Million $

2017 International Investment

1.14 Billion $

Finance	2016	2017	unit
Sales Revenues	1,358,413	1,679,211	thousand $
Total Current Assets	1,243,560	1,098,076	thousand $
Total Fixed Assets	8,049,359	8,164,003	thousand $
Shareholders Equity	5,312,736	5,321,980	thousand $
Short Term Foreign Liabilities	796,090	586,030	thousand $
Long Term Foreign Liabilities	3,184,094	3,354,069	thousand $
Current Ratio	1.56	1.87	%
Cash Ratio	0.18	0.39	%
Financial Leverage Ratio	0.43	0.43	%

	2016	2017	unit
Seismic Activities			
2D onshore	65.8	240	km
2D offshore	2,809	860	km
3D onshore	32	402	km^2
3D offshore	6,589	10,442	km^2
Drilling Activities			
Onshore	50.6	85.4	thousand meter
Offshore	33	52	number
Production Activities			
Domestic	13.7	13.9	million boe
International	24.5	24.8	million boe

$: US Dollar

Timeline

1954
Turkish Petroleum Corporation was established

1958
The first oil discovery
GERMIK-1

1960
IPRAS was established

1961
The greatest petroleum field:
BATI RAMAN was discovered

1963
Turkish Petroleum oil retail service stations were established

1965
PETKIM was established

1966
IPRAGAZ was established

1967
The first pipeline (Batman-Dörtyol,İskenderun)
ALIAGA RAFINERY (İzmir) was established

1970
First Natural Gas Discovery
HAMITABAT
Beginning of exploration on offshore
PAYAS-1

1974
BOTAS was established

1953 1954 1955 1956 1957 1958 1959 1960 1961 1962 1963 1964 1965 1966 1967 1968 1969 1970 1971 1972 1973 1974 1975 1976 1977 1978 1979 1980 1981 1982 1983

1985
The **63rd Biggest Company** in the World (Out of the USA)

1986
Kırıkkale Rafinery was established

1988
TPIC was established

Golden Year -The highest production in 50 years- **KARAKUS** was discovered
1991

1993
Turkish Petroleum in **KAZAKHISTAN**
Turkish Petroleum in **AZERBAIJAN**

BTC Project
1999

2001
SCP Project

The first Natural Gas Discovery in Black Sea **AYAZLI-1**
2004

2009
The deepest well in Turkey **YUVAKOY-1** (7.216 m)

Oil Discovery in **LIBYA**
Turkish Petroleum in **IRAQ**
2010

Turkish Petroleum in **TRNC**
2011

The acquisition of the seismic vessel **BARBAROS HAYREDDIN PASA**
Turkish Petroleum in **AFGHANISTAN**
2012

2014
Turkish Petroleum in **RUSSIA**

Turkey's First Drill Ship: **FATIH**
2017

1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017

Vision, Mission and Values

Our Vision

To be a competitive and dynamic national E&P company, aspiring to meet the oil and gas demand of our country.

Our Mission

Conducting domestic and international exploration and production activities to increase the oil and gas production of our country.

Our Values

- Respect
- Courage
- Determination
- Perfectionism
- Egalitarianism

Our Strategies

We determine our main strategies in line with the National Energy and Mining Policy of Ministry of Energy and Natural Resources.

New Exploration Axes

Increasing the number of the wells in unexplored onshore fields, limited explored onshore and offshore basins, and overcoming the obstacles during seismic activities in certain areas by using advanced technologies, such as unmanned aerial vehicle, are some of the steps TP will take in action.

One of our main objectives is to utilize Barbaros Hayreddin Pasa Seismic Vessel both to acquire data throughout more areas and keep update our technologies.

Offshore Projects

We expanded our inventory by having “Fatih Drill Ship” which helps us to reach high standards in hydrocarbon exploration. Therefore, our primary concern is to explore Turkey’s petroleum and natural gas potential on offshore by deep sea drilling projects in Mediterranean and Black Sea region.

Keep focusing on onshore and offshore fields in Turkey, while seeking the opportunities in nearby geography, in order to extend our portfolio by partnerships in the region for rich hydrocarbon resources are also our main exploration strategies.

Production Enhancement Technologies

We keep work on rising the production level in our existing fields by means of water and carbon dioxide injection, polymer gel applications as well as downhole heaters.

Our priorities are enhancing the data processing center, which runs word-class IT infrastructure standards and R&D projects by cooperation with institutions advanced in science and technology. In this context, we will be utilizing alternative production methods such as petroleum production from bituminous shale.

Unconventional Investments

In order to reveal our unconventional potential in both Thrace and Southeastern Anatolia regions, we prepared “Roadmap for Unconventional Projects”. We will operate in the field of unconventional exploration either by ourselves or with an experienced partner.

National and Domestic Technology

To support of national and domestic production, which is a pillar of the National Energy and Mining Policy, is the basis of our procurement strategy. Prioritization of the national industry in the machinery, equipment and software used is one of our main objectives.

In conclusion, as Turkey’s national petroleum company, we aim to enrich our country by conducting accurate domestic explorations and increasing the production level by following the opportunities in nearby geography and prioritizing the usage of national sources in all our activities.

Organizational Chart

Board Of Directors

MELİH HAN BİLGİN	PRESIDENT
ALPARSLAN BAYRAKTAR	MEMBER
EDİP MÜYESSEROĞLU	MEMBER
MEHMET FERRUH AKALIN	MEMBER

Directors

Vice President
Edip MÜYESSEROĞLU

- Production
- Engineering
- Batman District
- Adıyaman District
- Thrace Disrict
- Occupational Safety & Environmental Protection
- Support Services
- Procurement and Logistics
- Finance
- Offshore Operations

Vice President
M. Ferruh AKALIN

- Exploration
- Research and Development
- Information Technologies

Message From the CEO

Oil and natural gas resources, which are needed in every aspect of modern life and which meet a significant part of the primary energy consumption in the world, are an indispensable element of our lives. These resources are also indispensable for the sustainability of economic growth. This situation illustrates the strategic importance of oil and natural gas in determining the growing Turkey's vision and policy.

CEO

Melih Han BİLGİN

It is obvious that rapidly changing political, economic and social dynamics affect the global energy sector. Challenges in the industry are increasing due to ease of accessibility to resources and increasing resources competition via developing technology. On the other hand, in today's world, the uncertainties of the oil prices and the status of the market under geopolitical tensions, create barriers to plan the sector's future. Therefore, companies need to develop non-traditional approaches, business models and rebuild their organizational and management structures.

Main reasons for the sectoral recovery in 2017 were based on global economic growth and cutting down oil production of the countries exporting oil. While the average price of Brent crude oil was 42 USD/bbl in 2016, it averaged 54 USD/bbl in 2017. This trend goes on increasingly in 2018.

Turkish Petroleum operates with the vision of satisfying the growing need of oil and natural gas of our country and becoming an effective exploration and production company. We aimed to increase the production and raise the oil and natural gas reserves in 2017. While we work on our organizational structure along with corporate governance, we target to meet the global corporate structure standards.

Within this scope, we carried out an intense geophysical and geologic data acquisition program in order to reveal the potential of our offshore fields. Therefore, we collected significant data on hydrocarbon potential of the Black Sea and the Mediterranean Sea. Next years, deep sea drilling in Black Sea and the Mediterranean will be in our agenda. We also plan exploration drills in Southeastern Anatolian Region, Thrace Region and onshore fields that have not been explored elaborately yet.

We are aware that reserve explorations with high hydrocarbon potential, which will be obtained from offshore drilling projects, will enable us to achieve our 2023 targets. We are planning for deep sea drilling on offshore in the following years with the latest technology drilling unit FATIH, which can operate in water depths up to 3.600 meters and capable of drilling to a total depth of 12,200 meters.

We are proud that the 22nd World Petroleum Congress was held with the support of the Ministry of Energy and Natural Resources. Approximately 12,000 people from 102 countries participated in the congress. We were the host country sponsor.

We are the first public institution which has R&D Certificate from the Ministry of Industry and Technology. Our operations are more efficient, productive and cost-effective through our technologies and experiences.

We, as Turkey's national petroleum company, work with enthusiasm, responsibility, competency, devotion and commitment since 1954. We are determined to proceed our operations with the strategy of Energy Supply Safety and Reducing the Dependency on foreign Energy resources in line with the National Energy and Mining policy of Ministry of Energy and Natural Resources.

Melih Han BİLGİN
CEO

Trust in the Future

The future will be illuminated with our experiences


TÜRKİYE PETROLLERİ A.O.
FATİH

FATİH
DRILL SHIP

Deepening

MODEL YEAR
2011

DRILLING
DOUBLE DRILLING RIGS

MAXIMUM WATER DEPTH
3,650 METER

MAXIMUM OPERATING DEPTH
12,200 METER

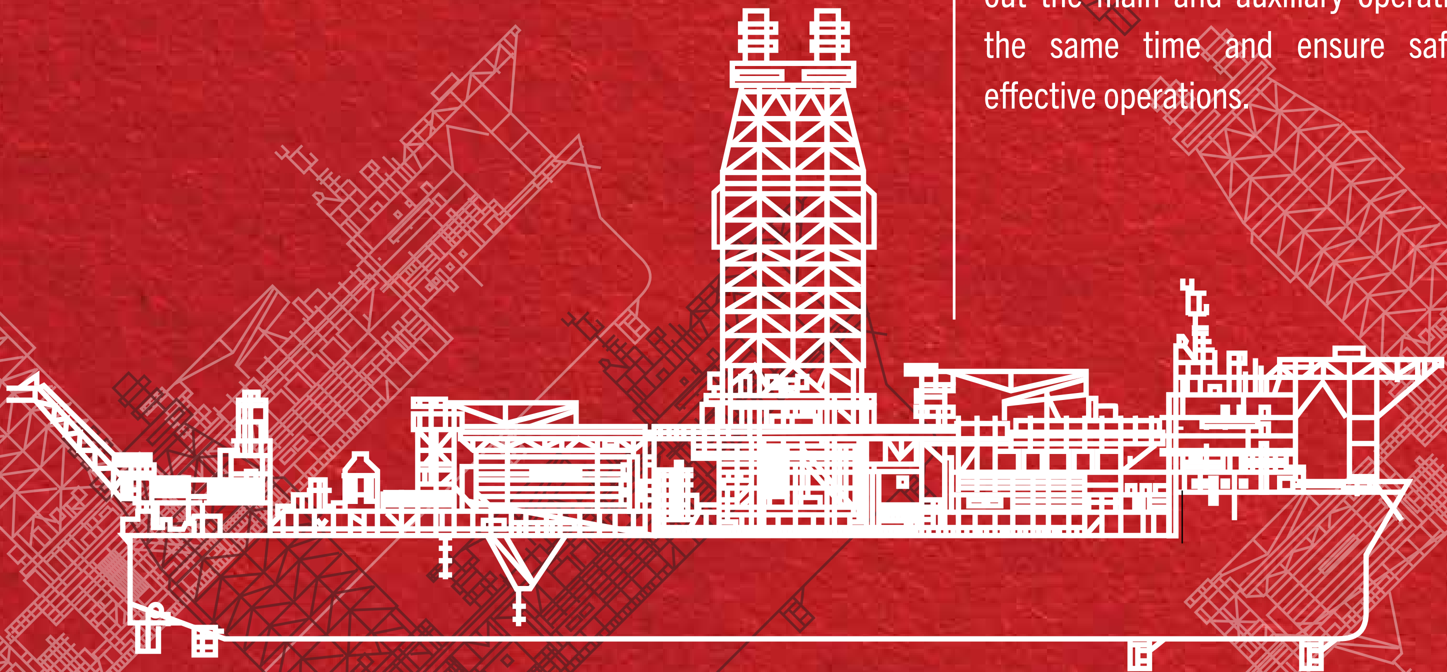
DRILLING RIG HEIGHT
74 METER

GENERATION
6TH GENERATION

ENGINE POWER
45 MW

FATİH

FATIH is designed as a 6th generation drill ship equipped with dynamic positioning technology, capable of performing sea drilling operations at very high pressures up to 12,200 meters depth. There are double drilling rigs on board that can carry out the main and auxiliary operations at the same time and ensure safe and effective operations.



6th Generation Drill Ship

The ship is equipped with large decks to increase ship replenishment. It is also designed to comply with international rules and regulations.

The ship has DNV, +1A1, BIS, EO, DYNPOSAUTRO, DRILL, CRANE, HELDK.

TURKISH PETROLEUM CORPORATION

Engine Room

Total installed power 45 MW, 8 sets of 4 cycle turbocharged diesel generator sets (3 engine rooms)

Generators

B&W/MAN 6 ea 4,300 kW & 2 ea 8,700 kW

Emergency diesel generator 1 ea 1,500 kW PMS with full integration between marine and drilling systems

Power Distribution

Drilling variable speed drives 690 V

Ship Distribution 480 V

Lighting and small power 220 V/427 V class III

Dynamic Positioning

IMO DP 5 MW thrusters, retractable for service or drydocking.

Max Drilling Conditions (max wind & waves)

Hs=6.0 m, Tp=10-13 s,Vw=25.0 m/s, Vc=0.8 m/s

DRILLING EQUIPMENT

The drilling equipment has been selected with special emphasis on creating a safe working environment and delivering high operating efficiency. The provision of redundancy on critical equipment prevents lost time due to equipment failures.

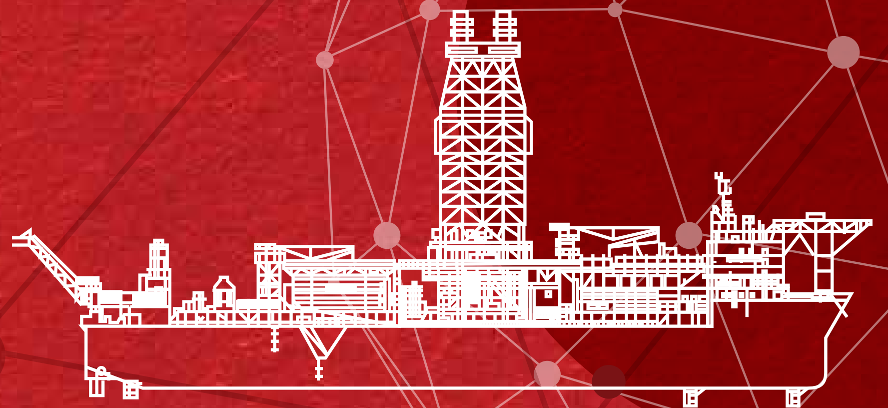
The equipment and layout have made it possible to obtain large storage capacity in the derrick setback in survival and transit conditions.

Remote-operated equipment will be installed to improve safety in all operations. Work baskets and man rider winches will be installed in the derrick and moonpool area where work platforms are not able to cover all requirements.

The rig cellar deck has been laid out for efficient handling, with storage capacity for up to 4 complete sets of X-mas trees of 120 mt each. The Xmas tree trolley has a 700 ton capacity and can also be used to support the riser and BOP during short transit or special operations.

FATİH

6TH GENERATION DRILL SHIP



Drilling Rig Height

74 Meter

Engine Power

8 4-stroke turbocharged diesel engines with 45 MW power

Width

36 Meter

Length

229 Meter

Drilling Capability

For Casing

1587 tone

3.5 to 22 inch drilling array storage facility

Domestic Activities

Exploration

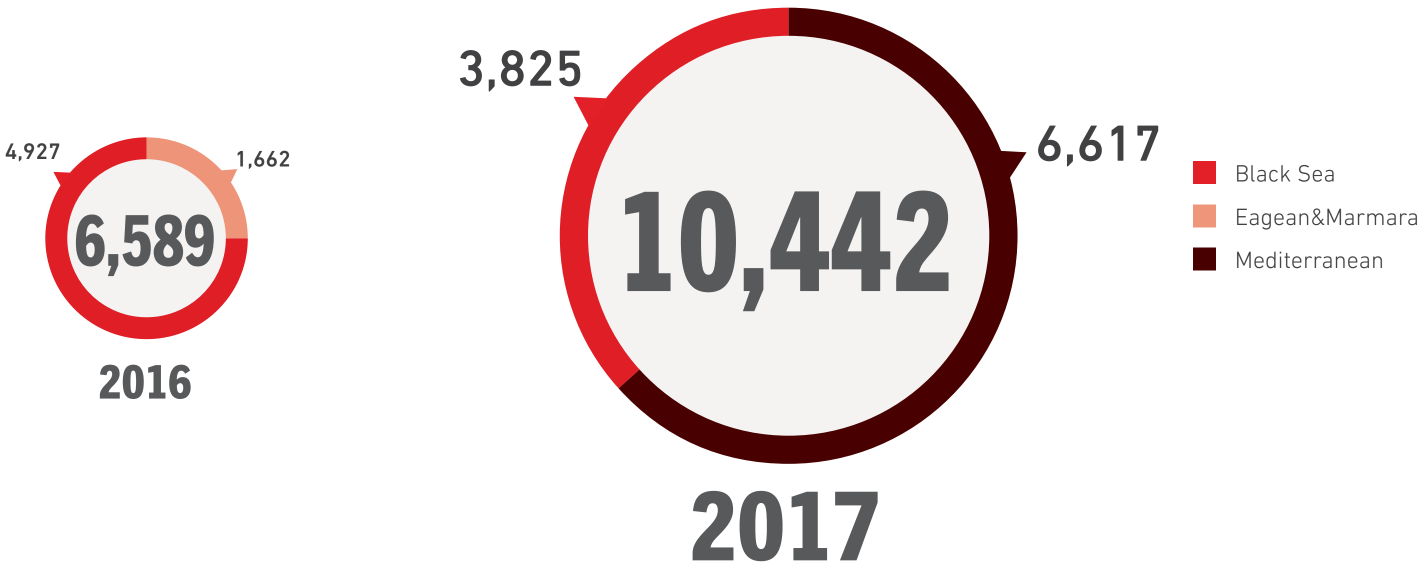
Turkey's economy has performed remarkably well with its steady growth over the past years. A sound macroeconomic strategy, prudent fiscal policies, and major structural reforms have all contributed to the integration of Turkey's economy into the globalized world while also transforming the country into one of the major energy consumers in its region. From this point of view, as a national oil company, TP determined its main strategy as concentrating on exploration and production activities to meet increasing energy demand of the country. Making more and more precise exploration primarily in domestic areas is the backbone of our strategy. Since the beginning of the 2000s, our corporation has given importance to hydrocarbon exploration and production on offshore fields as well as on onshore fields. This strategy has been realized through an intense seismic program by itself and with foreign partners in the context of exploration projects in our offshore and onshore fields.

In that sense, 36 23/30 man/month geological, 124 29/30 team/month geophysical (27 07/30 team/month offshore seismic, 10 14/30 team/month onshore seismic, 46 03/30 team/month sea-gravity and 40 25/30 team/month sea-magnetic) fieldwork has been conducted; 20 searches, detection, and common well were carried out.

2017 Pre-Drilling Exploration Activities

Field Geology			36 23/30 team/month
Geophysics Field Activities		**Unit**	
2D Offshore Seismic	: 860	km	124 29/30 team/month
2D Onshore Seismic	: 240	km	
3D Offshore Seismic	: 10,442	km^2	
3D Onshore Seismic	: 402	km^2	
Gravity-Magnetic Offshore	: 2,337,231	point	

Our Seismic Activities in Offshore Fields in the Last 2 Years (Km²)



Significant findings about hydrocarbon potential in offshore fields were obtained through the seismic and geological activities. Additional 2D and 3D seismic data acquisition programs were conducted and new ones are needed to be programmed for identifying prospects.

In the recent years, hydrocarbon explorations in our offshore fields were concentrated on increasingly. Meantime, shallow and deep focused natural gas exploration projects became more important through the importance that natural gas gained and through the developments and application of recent technologies.

Domestic Activities

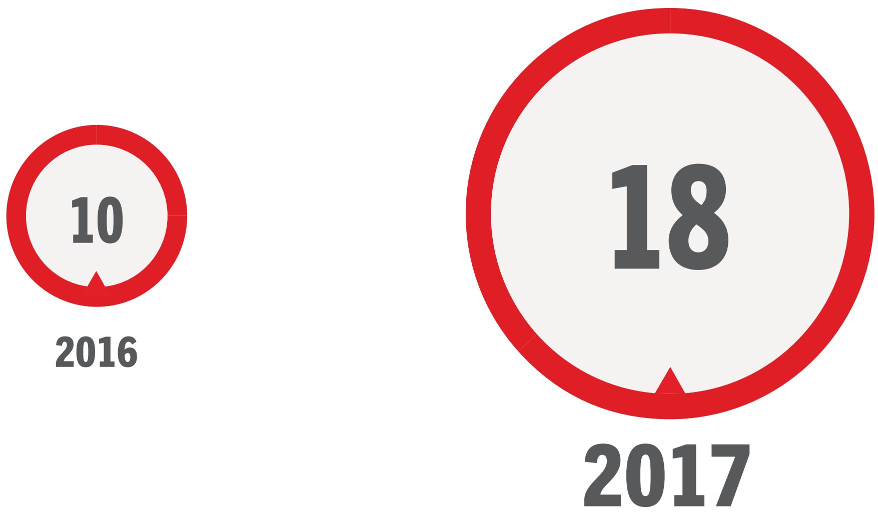
Exploration

Exploration activities are conducted based on 5 main projects. These are;

- Offshore Exploration Projects
- Thrace Basin Exploration Projects
- Southeastern Anatolia Region Exploration Projects
- Other Regions Exploration Projects
- Mutual Exploration Projects

Our works in 2017 were performed within the scope of 5 main projects, 2 special projects and 7 regional responsibilities.

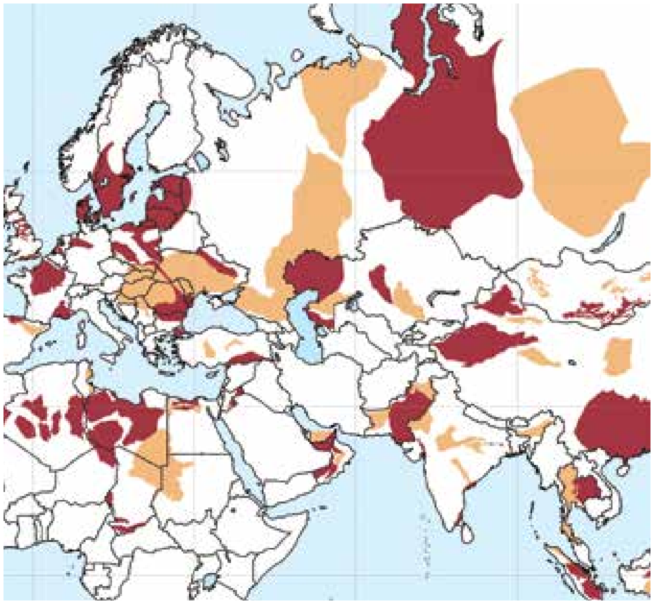
The Number of Onshore Exploration wells in the last 2 years



In recent years, oil and natural gas discoveries in the world have been in offshore areas. Therefore, we have increased our exploration activities in the Black Sea and the Mediterranean region.

In the light of this fact, we are commencing an exploration campaign to unveil the hydrocarbon potential of the Mediterranean and the Black Sea within our national capabilities.

Unconventional Exploration



Assessed basins with resource estimate

Assessed basins without resource estimate

USA Energy Information Agency "Technically Recoverable Shale Oil and Shale Gas Resources", June 2013

In the scope of unconventional exploration, we drilled two pilot wells in Thrace Basin in last year. In 2017, we performed the hydraulic cracking operation on these two wells. The activities of determining the potential of shale gas and concentrate sandstone gas in the basin continues.

Turkey's Estimated Unconventional Reserves

BASIN	FORMATION	OIL/GAS IN PLACE	RESERVE	UNIT
THRACE (GAS)	MEZARDERE	4.0-5.2	1.0-2.7	Trillion m^3
THRACE (GAS)	HAMITABAT	4.0-8.2	1.0-2.5	Trillion m^3
SOUTHEASTERN ANATOLIA (OIL)	DADAS	55-172	3.8-10.1	Billion Barrel

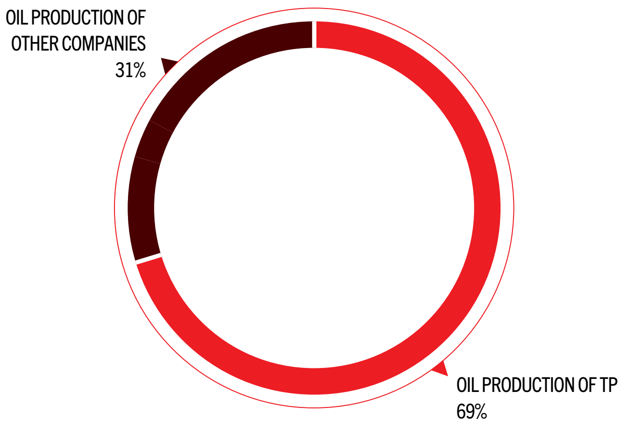
Production Acvitivites

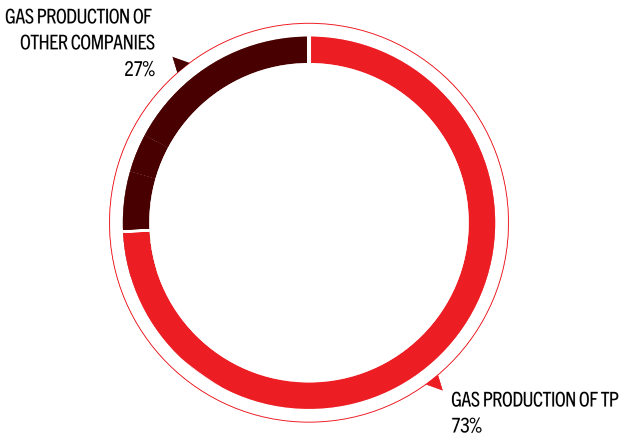
In 2017, our crude oil production is 12.31 million barrels and our natural gas production is 266.91 million cubic meters.

Our production increases gradually. We have produced 299 millions petroleum equivalents per day domestically in last 10 years. The total incomes from our sales is 11 Billions US Dollars. Moreover, the contrubution of Turkish Petroleum to Turkish Tresory have reached 6.8 Billions US Dollars in 2017.

Reserve enhancement and production activities carried on in 2017. Fields with heavy crude oil requires special technical implementations. Various reservoir works initiated in order to avoid decreasing production and utilize the current potential.

Market Share of the Companies in terms of Oil and Natural Gas Production in Turkey in 2017





Oil&Gas Daily Production of TP

106,312 boe

Domestic Oil Production of 2017

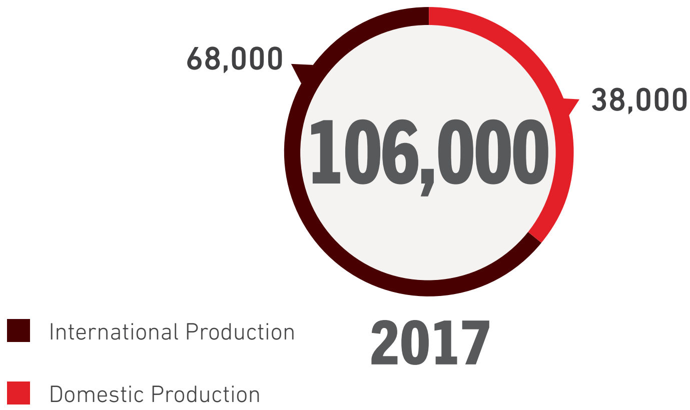
12.33 Million Barrel

Gas Production of 2017

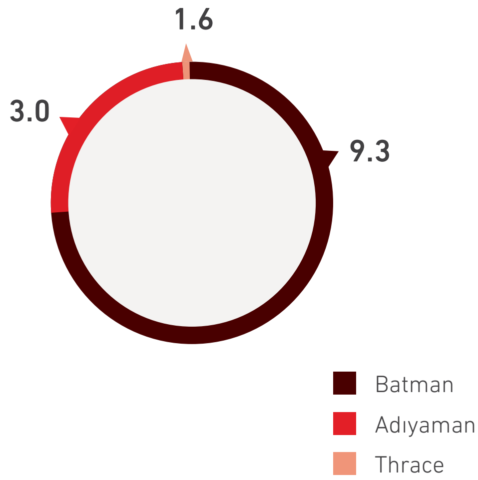
266.91 Million sm³

Vast majority of total oil and gas production in Turkey are provided by Turkish Petroleum. While the majority of our oil production comes from Southeastern Turkey, majority of the natural gas production comes fromThrace Basin.

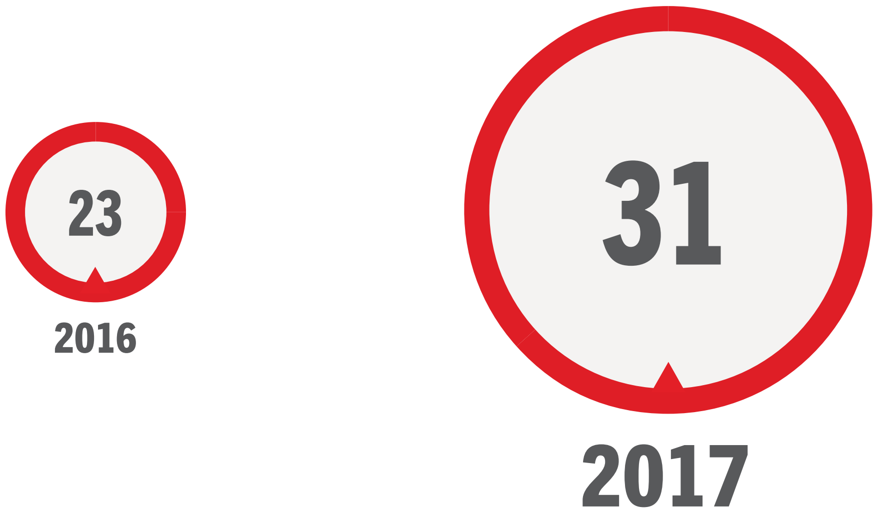
Daily Total Production (boe)



Domestic Oil Production In Terms of Districts (Million Barrel)



Number of Production Wells in the last 2 Years



Environment, Health and Safety

Integrated Management Systems

We continued by developing the standards and the targets that we put every year in the framework of TS EN 14001 Environment and TS 18001 Occupational Health and Safety Management Systems in 2017.

Occupational Health and Safety Management System Certificate

We run applications below in order to ease applicability of Integrated Management Systems and attendancy of employees.

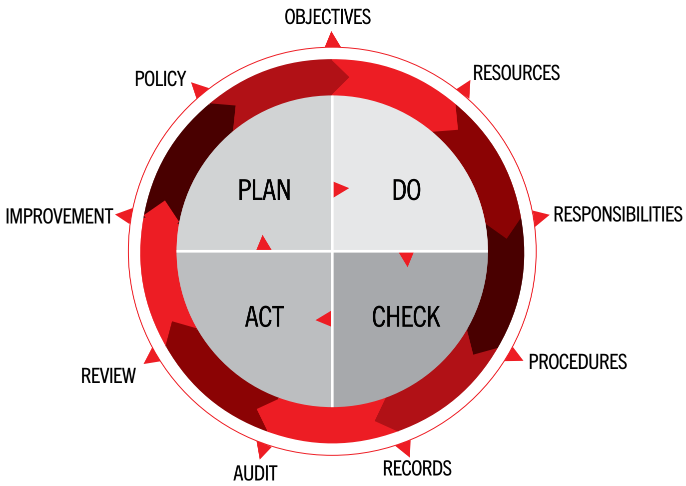
EYS Tracking and application module

EYS Portal

EYS Tracing

EYS Observation

Integrated Management System Schematic Representation



We created a mobile application to increase employee involment in job safety process. With this application, employees, visitors, interns and contractor's employees can provide notice and feedback about any accident or inconveniences and make offers for development, positive actions and accident reports through any mobile or computer that have an internet connection.

We provided Occupational Health and Safety Management Training to 5,731 employees

File: 2017 World Petroleum Congress

The most important event in petroleum and natural gas industry was held in Turkey.

Turkey hosted the 22nd World Petroleum Congress in July 2017. The presidents, prime ministers, CEO's of international energy companies and representatives of international organizations attended to the Congress which was supported by Presidency of Turkey.

Four main technical titles about the technological and professional developments in the industry, under the themes of "Turkey for Energy" and "Bridges to Our Energy Future", were discussed during the congress.

Leaders met in the Congress...

22nd WPC has significant differences than other WPC's due to hosting several heads of states and governments. Besides President of Turkey Recep Tayyip Erdogan, President of Azerbaijan İlham Aliyev, Prime Minister of Serbia Aleksandar Vucic, Former President of South Africa Willem De Klerk and Prime Ministers of Turkey, Albania, Bulgaria attended to the Congress.

All participants at the Congress observed Turkey's role in the energy industry.

Trust in the Progress

We take more bold steps by taking advantage of our experiences.

We are on the way to become a more powerful company that gives priority to human resources and R&D activities. We continue our work with determination.

THE FIRST 100% STATE OWNED RESEARCH AND DEVELOPMENT CENTER

QUALIFIED STAFF
134

R&D PROJECTS
34

MODERN LABORATORIES
27

ANALYTICAL EQUIPMENTS
142

ACCREDITED
34

ANALYSES
400+

SCIENTIFIC/TECHNICAL TRAINING PROGRAMS
17

National Technology

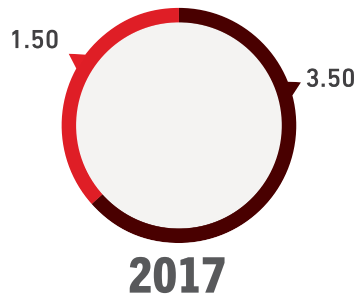
Research and Development

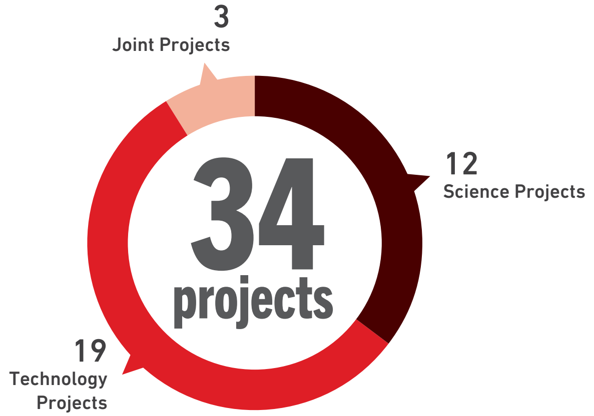
Turkish Petroleum Research and Development Center has been a real solution center in hydrocarbon exploration and production activities for national/international companies and universities by its knowledge, qualified personnel, modern and accredited laboratories. Besides TPAO, ARGEM has been continuing to change its progressive approach to innovative services by establishing strategic partnerships with state and private companies and universities.

Related to the exploration activities of TPAO, projects were carried out on the following topics in petroleum geology in 2017; source rock and quantitative basin modelling studies of Southeastern Anatolia, marine geochemical prospection, stratigraphy and sedimentology of Black Sea offshore areas, stratigraphy of Paleozoic units in Taurids and reservoir properties of Mardin Group carbonates in Southeastern Anatolia.

Related to the production and drilling/well completion activities of TPAO, projects were carried out on the following topics in petroleum technology in 2017; increasing efficiency of oil fields, development of secondary oil production, decreasing of formation damage, increasing the quality of drilling and well completion applications, favouring the national and local products in oil industry, appropriate usage of well stimulation techniques and solutions for scale, corrosion, paraffin wax problems by chemical techniques.

Technology Investments





- **TPAO – TKİ Bituminous Shale Project**
- **Increasing Recovery Factor by Microwave Heating**
- **Gas Hydrate Potential in Western Black Sea**

National and Domestic Procurement

Within the scope of domestic manufacturing activities, the equipment and products previously supplied from abroad have been designed and manufactured in the domestic market. With these activities, TP has saved 32 million USD and 24 million USD was added to the domestic economy in the last 10 years. In addition, technical know-how and manufacturing infrastructure have been formed in Turkey regarding the equipment mentioned.

We contribute to the
development of oil and gas sector
in Turkey

We offer opportunities to
SME

We provide incentives for
businesses to invest in R&D

We encourage
national and domestic manufacture

Trust in the Targets

No boundaries in energy:

We contribute to national energy through 13 projects in 5 Countries

International Projects: "Turkey's National Power"

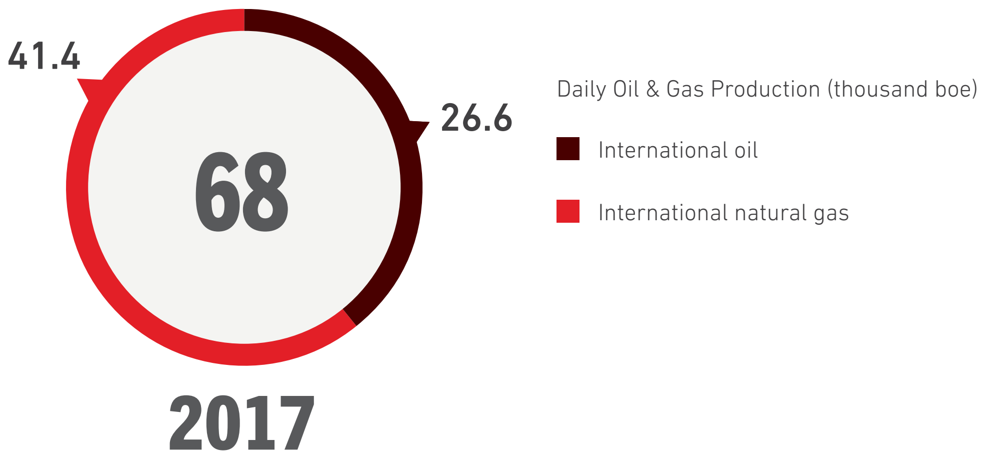
We are gradually increasing our international production.

We not only focus on domestic areas but also in hydrocarbon rich countries like Azerbaijan, Iraq, Russia and Afghanistan, in order to meet the energy demand of Turkey. To achieve our strategic targets, it is necessary to add new reserves and turn them into production immediately. For this reason, international activities have become gradually more important. Being aware of the strategic importance of energy, for ensuring Turkey's security of supply, we have set up the roadmaps and action plans for achieving its objectives for the coming years. We believe that our activities attach a great importance to secure Turkey's energy supply.

We have become an important actor in the region with international exploration, production and development projects since the 1990s. Within the context of these activities, most of our international production has been generated from Azeri-Chirag-Guneshli Project in Azerbaijan.

BTC Main Export Crude Oil Pipeline was put into service in 2006. Through this pipeline, the oil produced in Azerbaijan is sold to the world markets by TP. Following the completion of SCP Gas Pipeline in 2006 and the proceeding operations, our first international natural gas production, as a shareholder of Shah Deniz Project, started in March 2007 and continues.

International Daily Production (Thousands boe)



1.14 bn dollars international investment in 2017

INTERNATIONAL PROJECTS

AZERBAIJAN
- SHAH DENIZ
- ACG
- BTC
- SCP
- ALOV

IRAQ
- MANSURIYA
- BADRA
- MISSAN
- SIBA

AFGHANISTAN
- MAZAR-I SHARIF
- SANDIKLI

RUSSIA
- BAYTUGAN

TRNC
- EAST MEDITERRANEAN

68,000 boe
average daily production from abroad

International Operations of TP

5
Countries
13
projects

Trust in the Work

Hand in hand for the targets:
Our desire to be a regional leader and globally activities oil company is shaped not only by our technological investments, exploration and production activities, but also with values we contribute to our employees and to consciousness focusing on individual development.

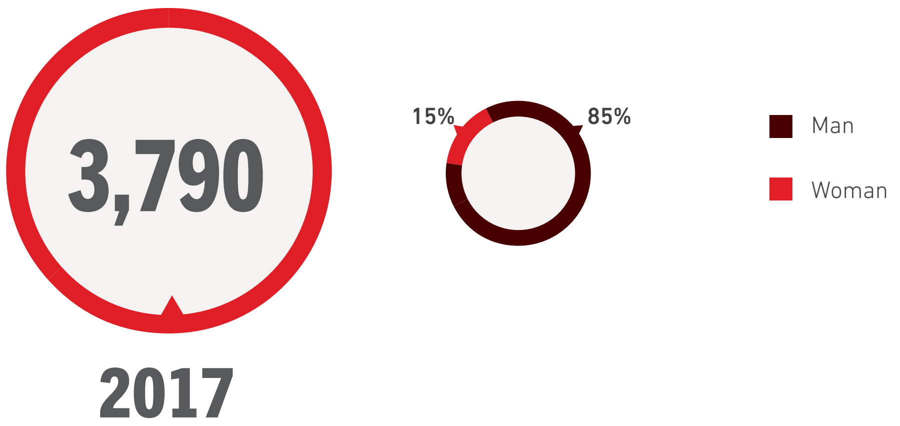
Corporate Structure

Human Resources

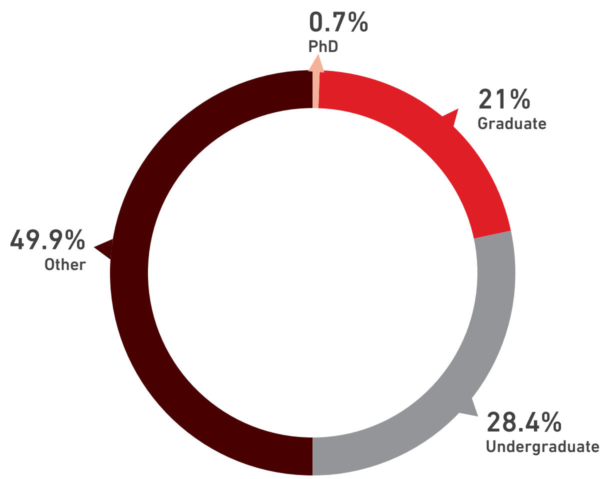
We have been working with great determination for 63 years with our advanced technology and well-educated human resource. In line with our vision of becoming an active "Global Oil and Gas Company" in the region, we continue to invest in our employees. As of the end of 2017, we have 3,790 employees, 15% of whom are women.

Our desire to be a regional leader and globally active oil company is shaped not only by our technological investments, exploration and production activities but also with values we contribute to our employees and to consciousness focusing on individual development.

Staff Status



Educational Status of Employees



Finance

Financial Status

TP and its Subsidiaries Consolidated Balance Sheets as of 31 December 2017 and 31 December 2016 (thousand US dollars)

	31 December 2017	31 December 2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	225,648	141,474
Trade receivables	201,252	248,489
Inventories	456,069	498,874
Other receivables and current assets	151,092	300,540
Derivative financial instruments	64,015	54,183
Total Current Assets	1,098,076	1,243,560
NON-CURRENT ASSETS		
Cushion gas and linefill	40,874	40,606
Trade receivables	102,674	101,152
Investment property	167,131	167,131
Property, plant and equipment	7,655,372	7,098,301
Intangible fixed assets	10,129	7,193
Goodwill	-	19,676
Other non-current assets	187,823	154,392
Total Non-Current Assets	8,164,003	8,049,359
TOTAL ASSETS	**9,262,079**	**9,292,920**

Finance

Financial Status

TP and its Subsidiaries Consolidated Balance Sheets as of 31 December 2017 and 31 December 2016 (thousand US dollars)

	31 December 2017	31 December 2016
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade payables	64,439	167,245
Bank loans	292,333	310,712
Current tax liabilities	18,141	100,909
Provisions	38,325	31,494
Other payables and expense accruals	172,792	185,730
Total Current Liabilities	**586,030**	**796,090**
NON-CURRENT LIABILITIES		
Bank loans	2,450,543	2,261,604
Asset retirement obligation	57,108	90,915
Provision for employment termination benefits	475,306	460,008
Deferred tax liabilities	241,978	289,048
Other non-current liabilities	129,134	82,519
Total Non-Current Liabilities	**3,354,069**	**3,184,094**
EQUITY		
Capital	1,748,011	1,706,898
Legal reserves	2,983,849	2,773,925
Actuarial deficit	(1,236)	(1,161)
Currency translation reserves	(1,503)	792
Retained earnings	592,859	832,282
Total Equity	**5,321,980**	**5,312,736**
TOTAL LIABILITIES AND EQUITY	**9,262,079**	**9,292,920**

Finance

Financial Status

TP and its Subsidiaries Consolidated Balance Sheets as of 31 December 2017 and 31 December 2016 (thousand US dollars)

	2017	2016
Revenue	1,679,211	1,358,413
Cost of sales	(837,087)	(858,463)
Gross Profit	**842,124**	**499,950**
General administrative expenses	(124,741)	(132,582)
Exploration and evaluation expenses	(109,684)	(110,789)
Marketing and sales expenses	(104,992)	(110,665)
Reversal of impairment losses / Impairment charges – net	(374,546)	441,602
Finance income / (expenses) – net	(128,283)	(112,334)
Foreign currency gain / (losses)	(23,277)	(95,223)
Other gains / (losses)	53,292	301,357
Profit / (Loss) before taxation	**29,893**	**681,316**
Income tax	(39,716)	(90,780)
Profit / (Loss) for the year	**(9,823)**	**590,536**
Other comprehensive income /(loss)		
Actuarial Loss	(75)	(1,161)
Change in currency translation reserves	(2,295)	8,440
Total comprehensive income / (loss)	**(12,193)**	**597,815**

	2017	2016
Current Ratio	1.87	1.56
Acid – Test Ratio	1.62	1.18
Financial leverage Ratio	0.43	0.43
Equity / Total Assets	0.57	0.57
Equity / Liabilities	1.35	1.33
Gross Sales Margin / Net Sales	0.50	0.37

General Directorate

Turkish Petroleum Corporation
Söğütözü Mahallesi, 2180. Cadde No:10
06530 Çankaya – Ankara / TÜRKİYE
Phone: +90 312 207 20 00
Fax: +90 312 286 90 00 – +90 312 286 90 01

District Managements

Batman District Management
72100, Batman / TÜRKİYE
Phone: +90 488 217 60 00
Fax: +90 488 213 41 49 - +90 488 213 29 14

Thrace District Management
39750, Lüleburgaz / Kırklareli / TÜRKİYE
Phone: +90 288 417 38 90
Fax: +90 288 417 22 03

Adıyaman District Management
02040, Türmüz Yolu Üzeri
Adıyaman / TÜRKİYE
Phone: +90 416 227 28 11
Fax: +90 416 227 28 07 - +90 416 227 28 18

International Offices

Azerbaijan TP / TPOC / TPBTC Office
Port Baku Towers Business Centre South Tower, 12th floor
153, Neftchiler Avenue AZ1010, Baku / AZERBAIJAN
Phone: +994 12 464 01 50 – +994 12 464 01 51
Fax: +994 12 464 01 53
e-mail: info@tpao-az.com

TPOC Iraq Offie
Baghdad Al-Wazereyah 301
Section 5th St. No: 6 Baghdad / IRAQ
Phone: +90 312 207 20 00 / 18 58 – 18 59
e-mail: mansuriya@tp.gov.tr

TPOC Afghanistan Office
Burj Ghazanfar Sixth Floor, Baihaqi Street
Mazar-e Sharif / AFGHANISTAN
e-mail: tefeoglu@tp.gov.tr

TPOC East Mediterranean Office
Şehit Ecvet Yusuf Cad. No: 44/D
Yenişehir, Lefkoşa / KKTC
Phone: +90 392 228 68 00
Fax: +90 392 228 28 28
e-mail: ecimen@tp.gov.tr

www.tpao.gov.tr

www.facebook.com/trpetrolleri
www.twitter.com/trpetrolleri
www.instagram.com/trpetrolleri
www.linkedin.com/company/turkishpetroleum/

FSC

Mixed Sources

This product is made with recycled, wood & fiber from controlled resources

Design: Cosmic Creative   Press: Acar Basım Sanayii A.Ş.

TURKISH PETROLEUM CORPORATION

www.tpao.gov.tr