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International Relations Department

Energy Working Group

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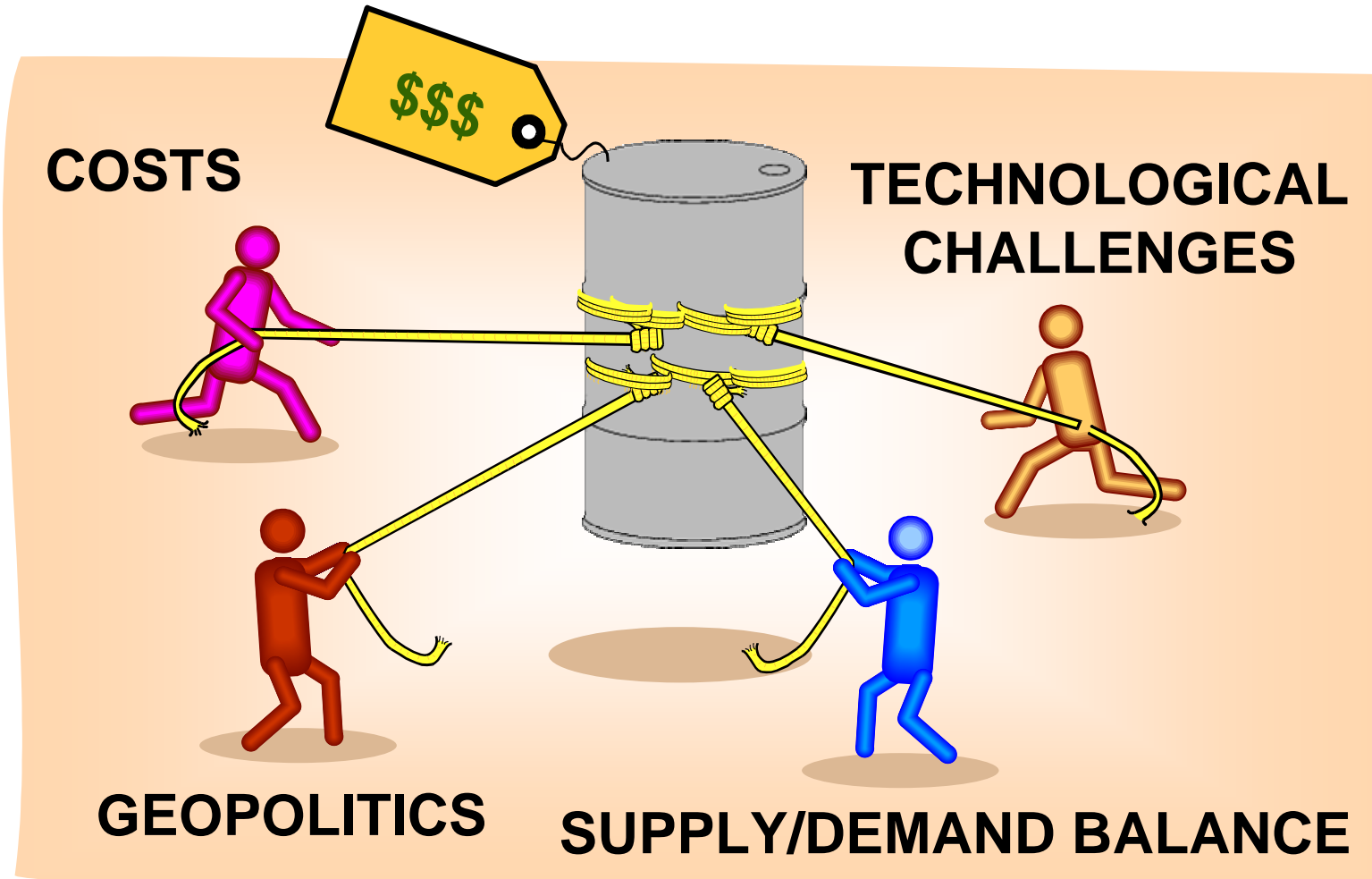
london information network on
conflicts and state-building

March 23rd, 2007

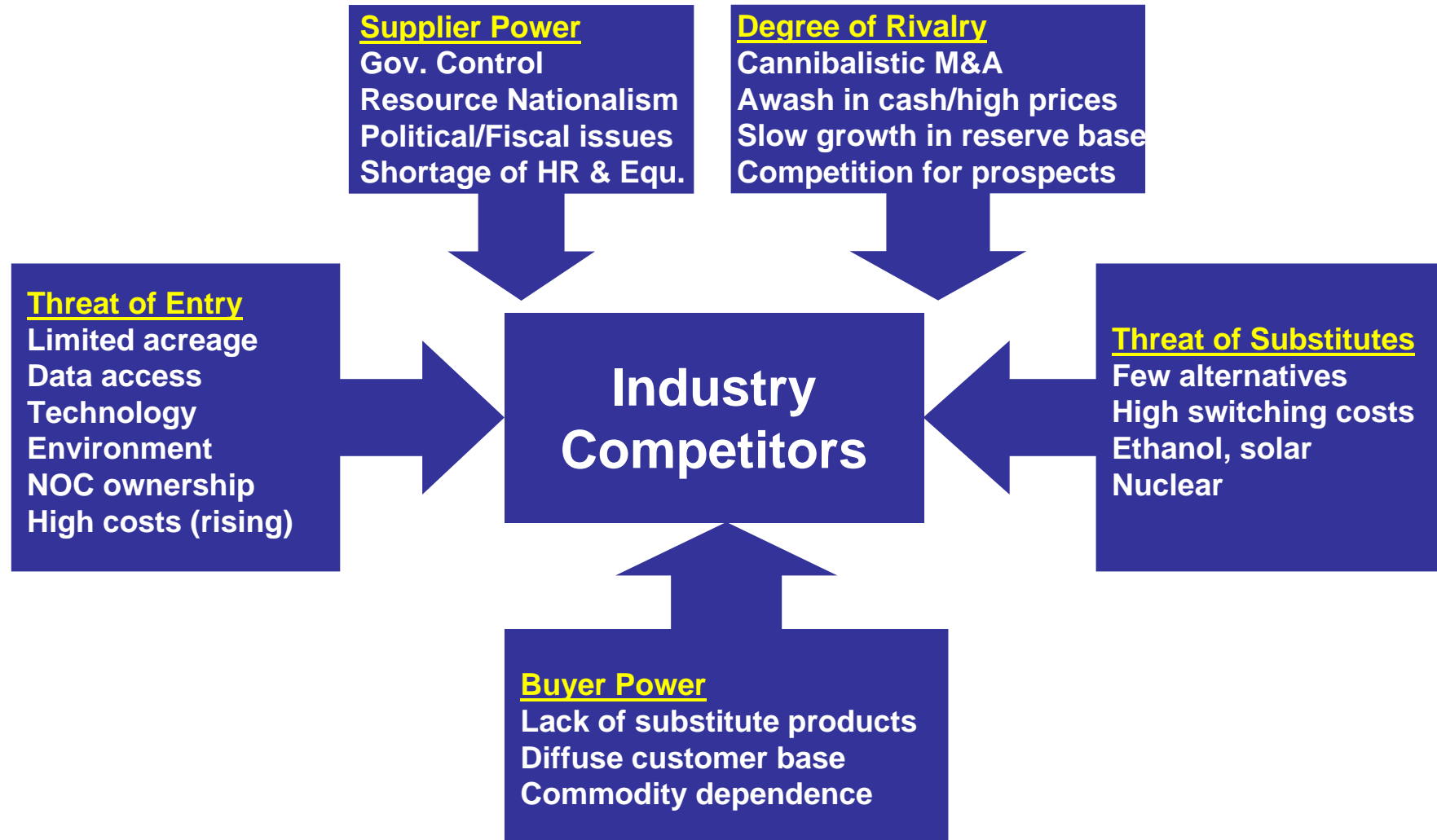
NOCs in Energy Security : Focus on Turkey's Role

Murat Ulu
Director
Strategy Department
TPAO

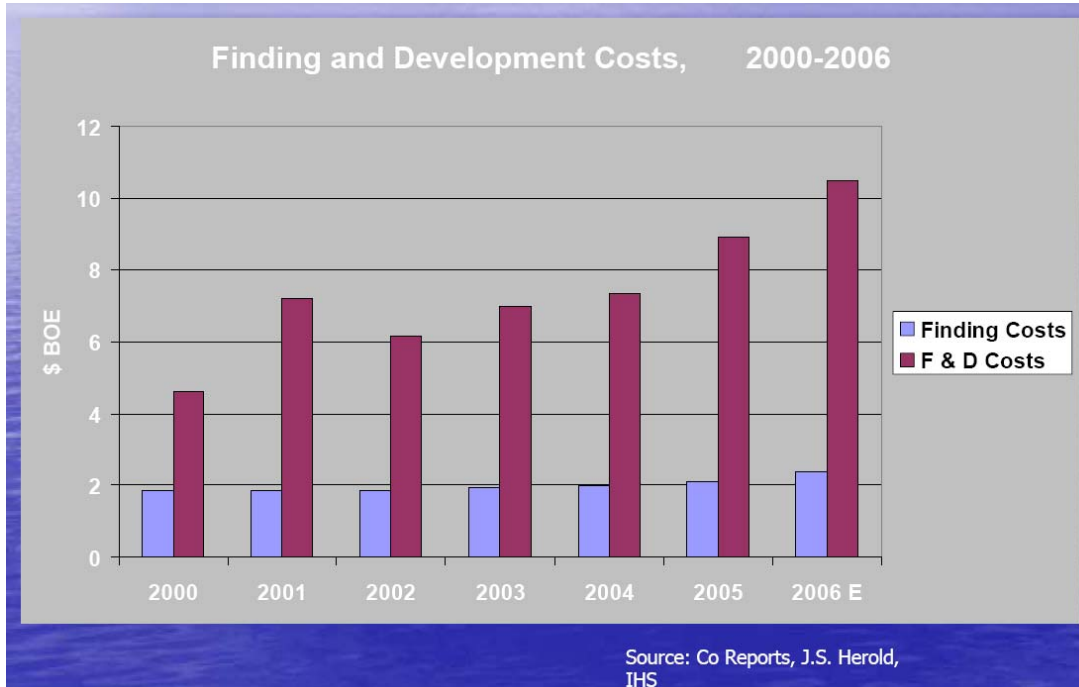
The oil&gas sector and its dynamics



Forces acting on oil and gas industry



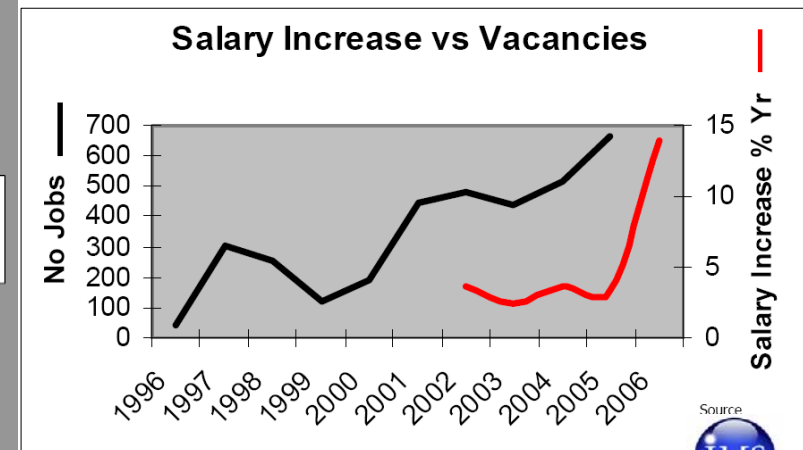
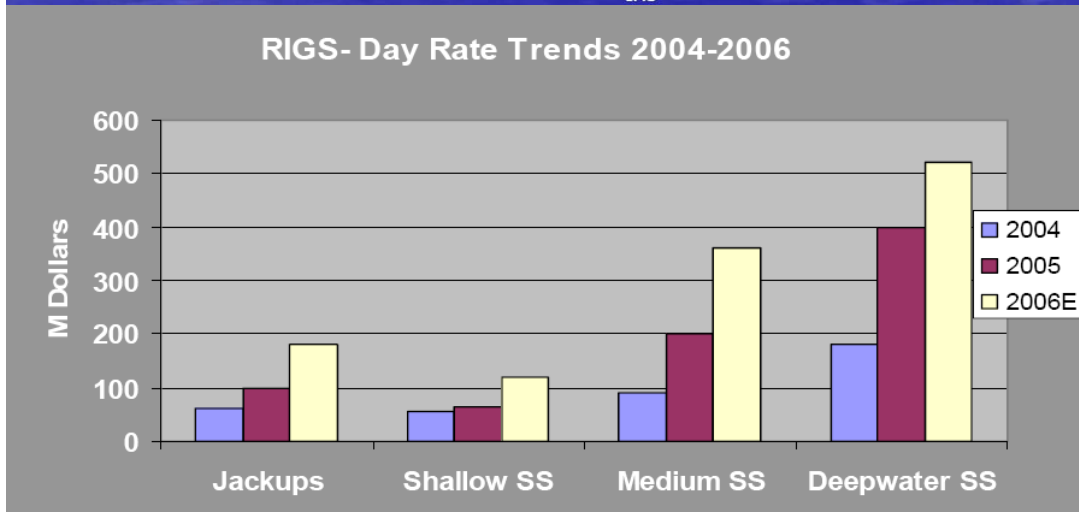
Increase in costs



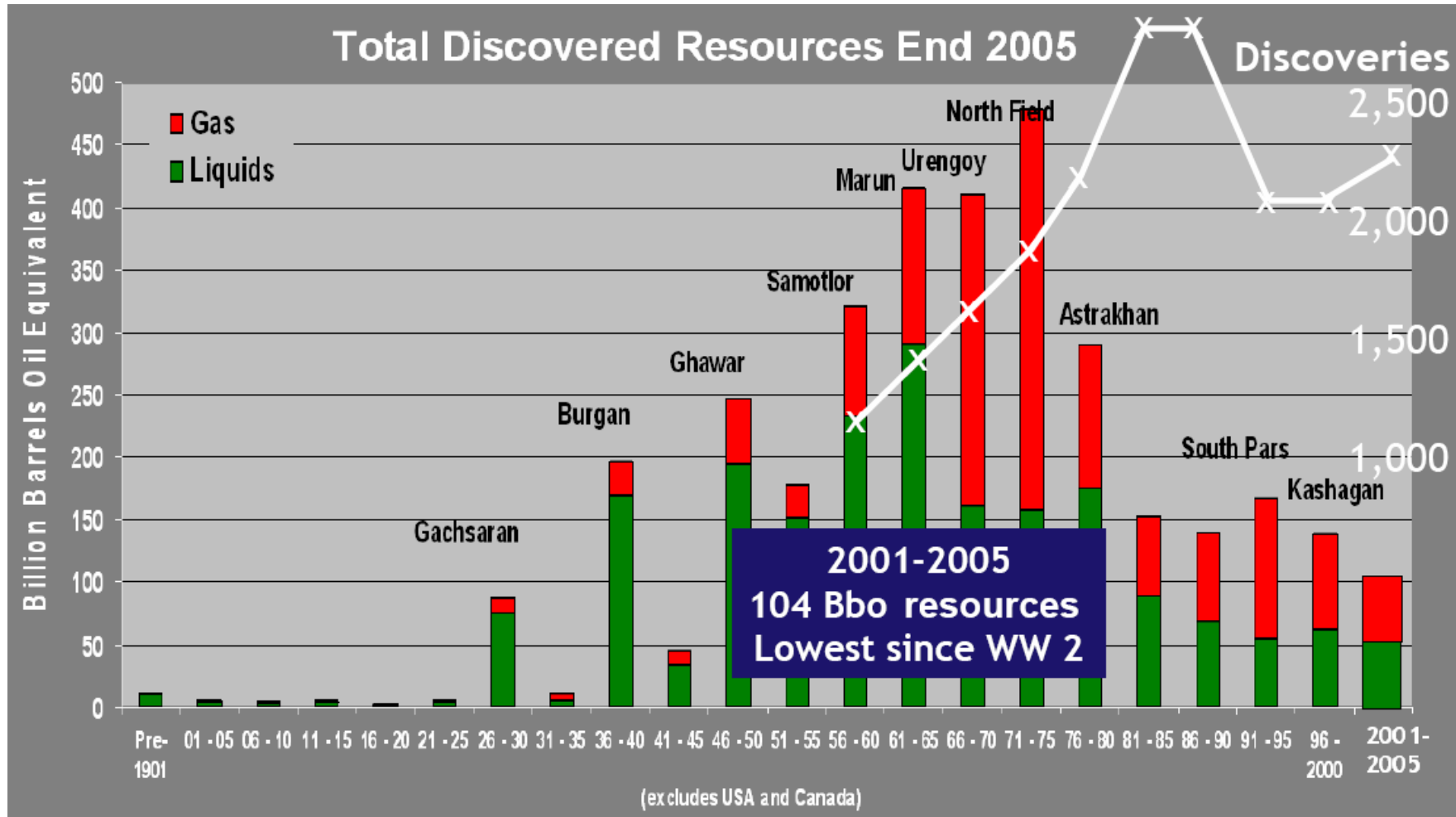
F&D Costs ~ 10 \$/bbl

Rig rate for DW ~ 500K \$/d
Seismic costs up 60% in one year

Shortage in manpower
Salary increase



History of discovery



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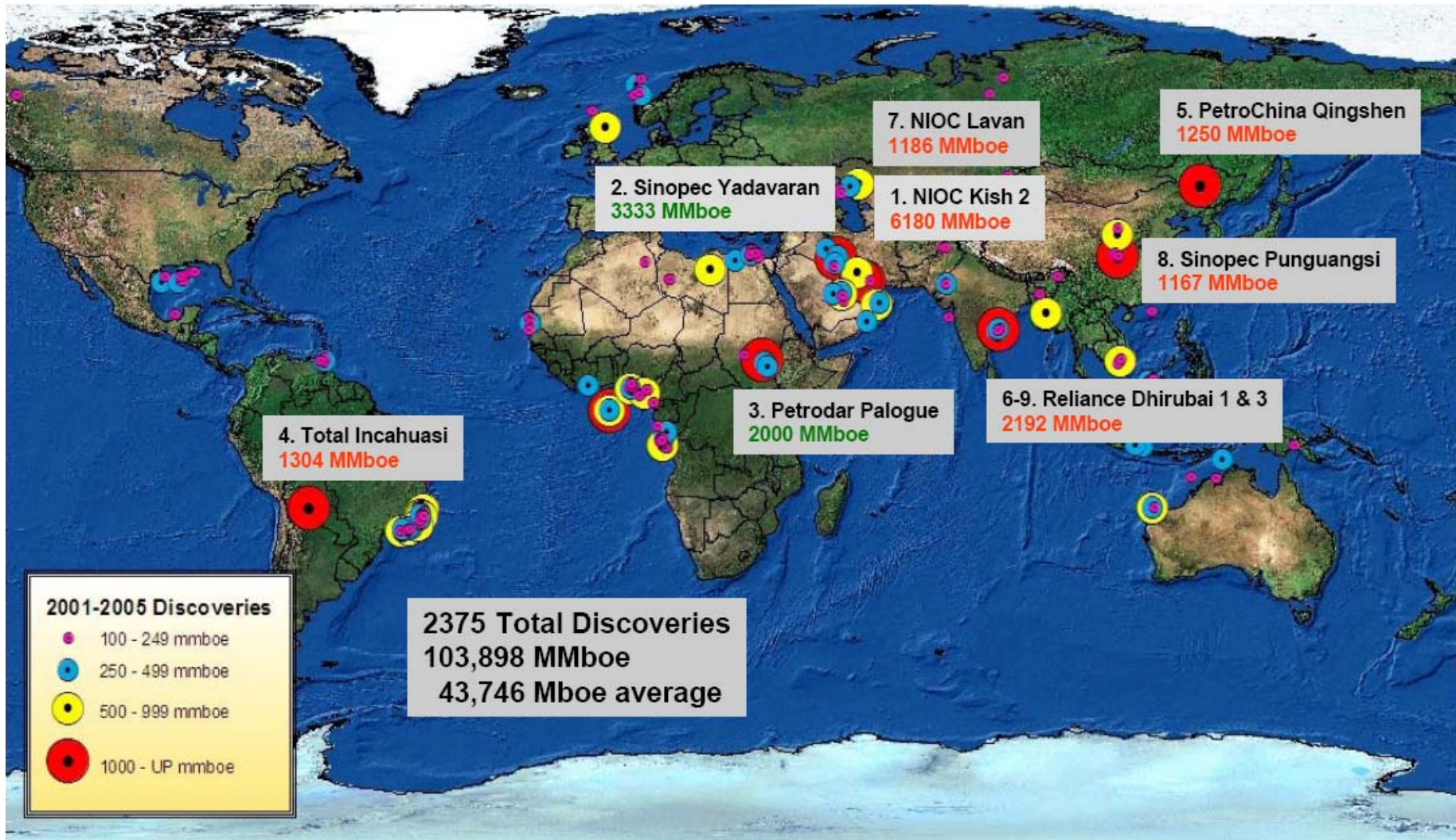
3

* Excludes onshore lower 48 US states & Canada

January 2007 Perspective

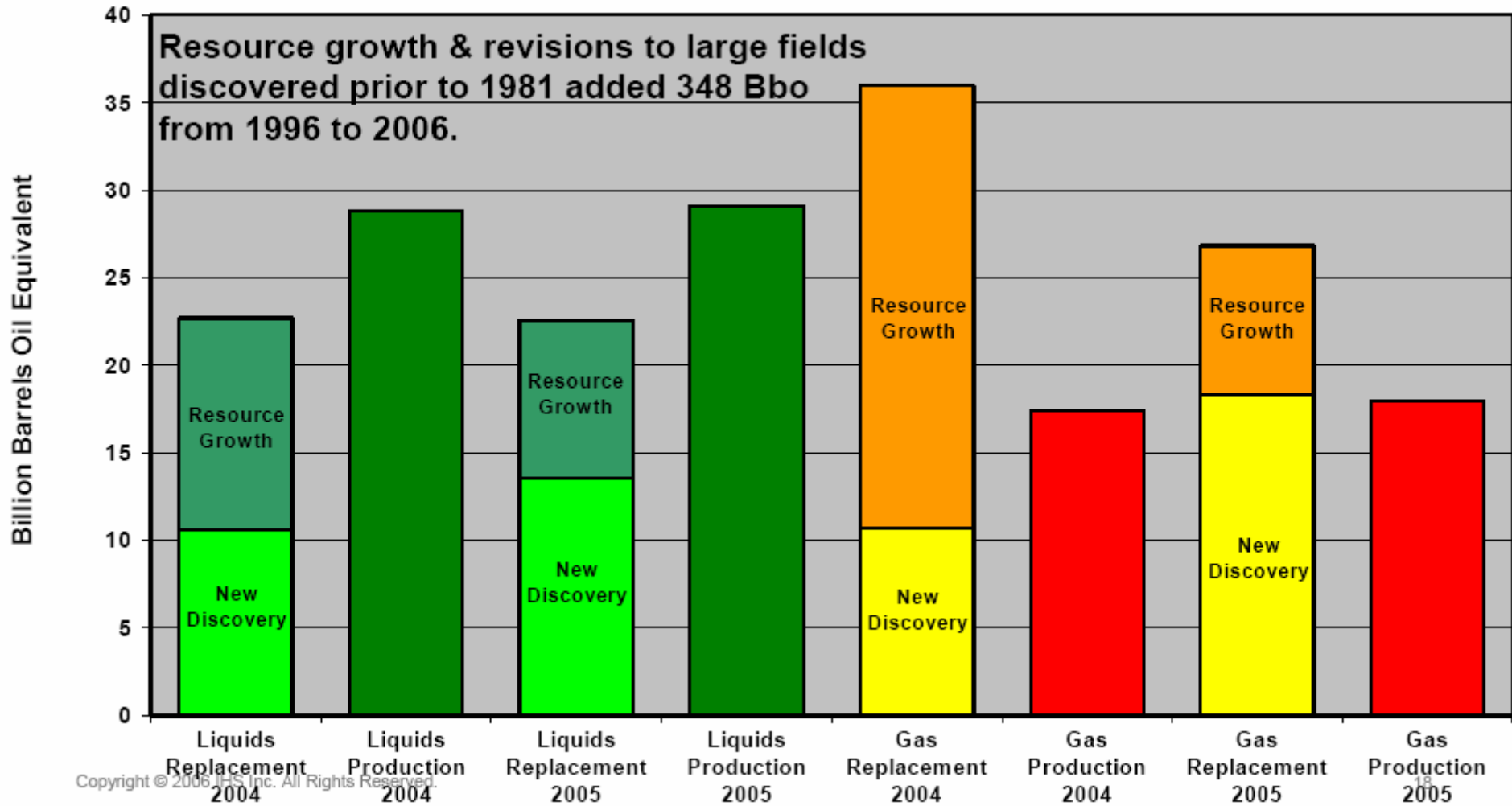


Recent Discoveries



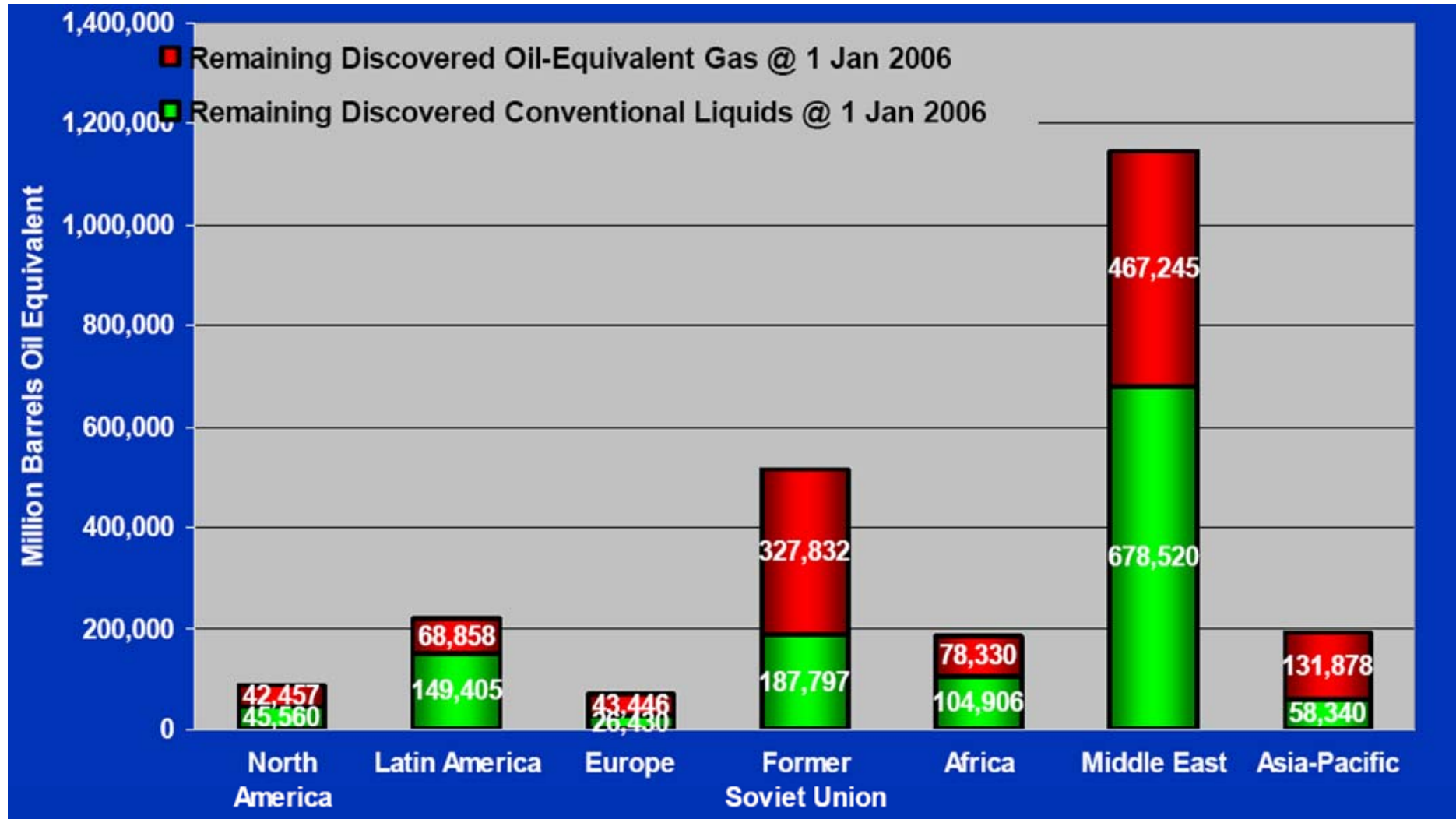
Reserve Replacement

Oil and Gas Resource Additions 2004-2005

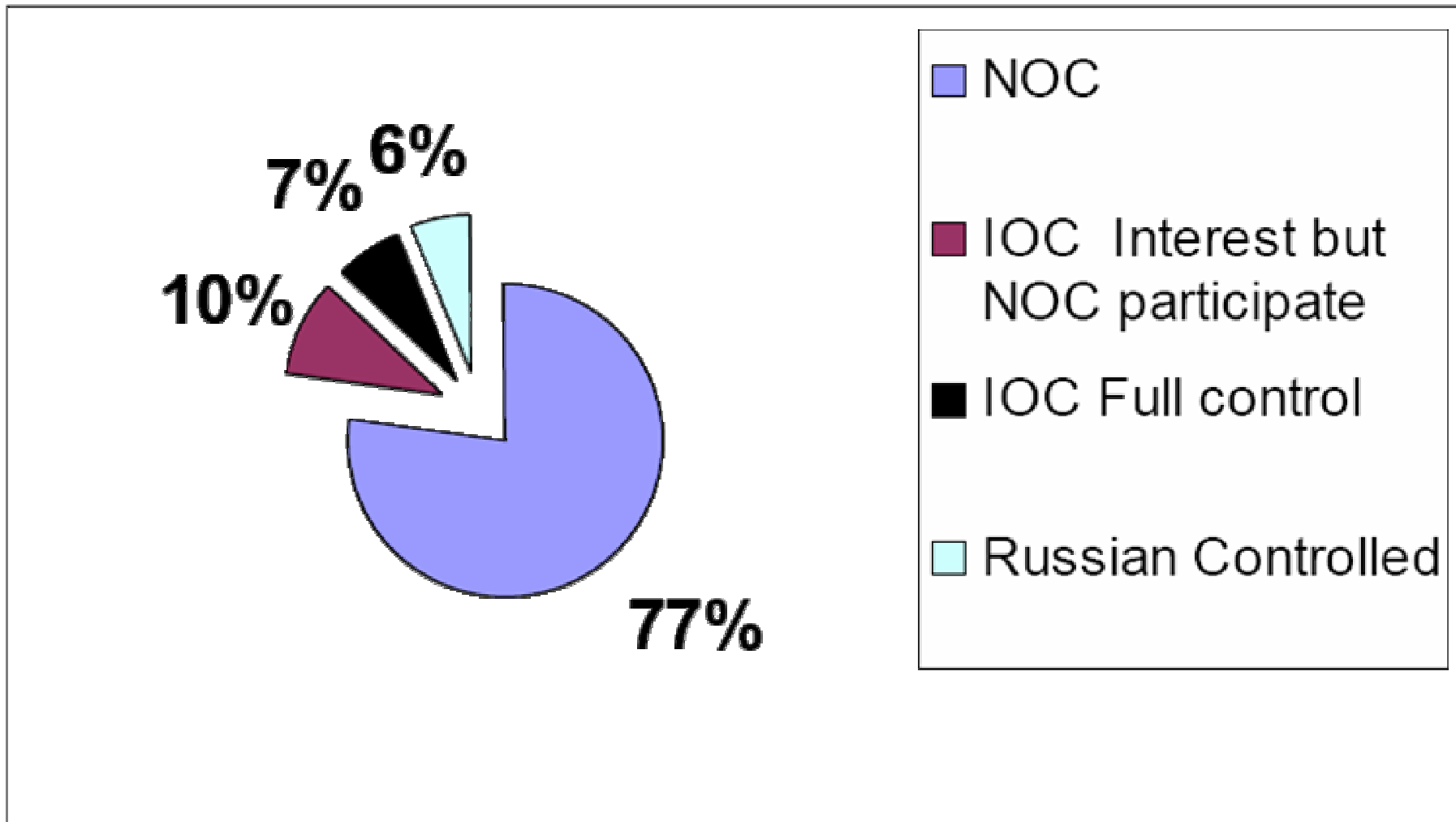


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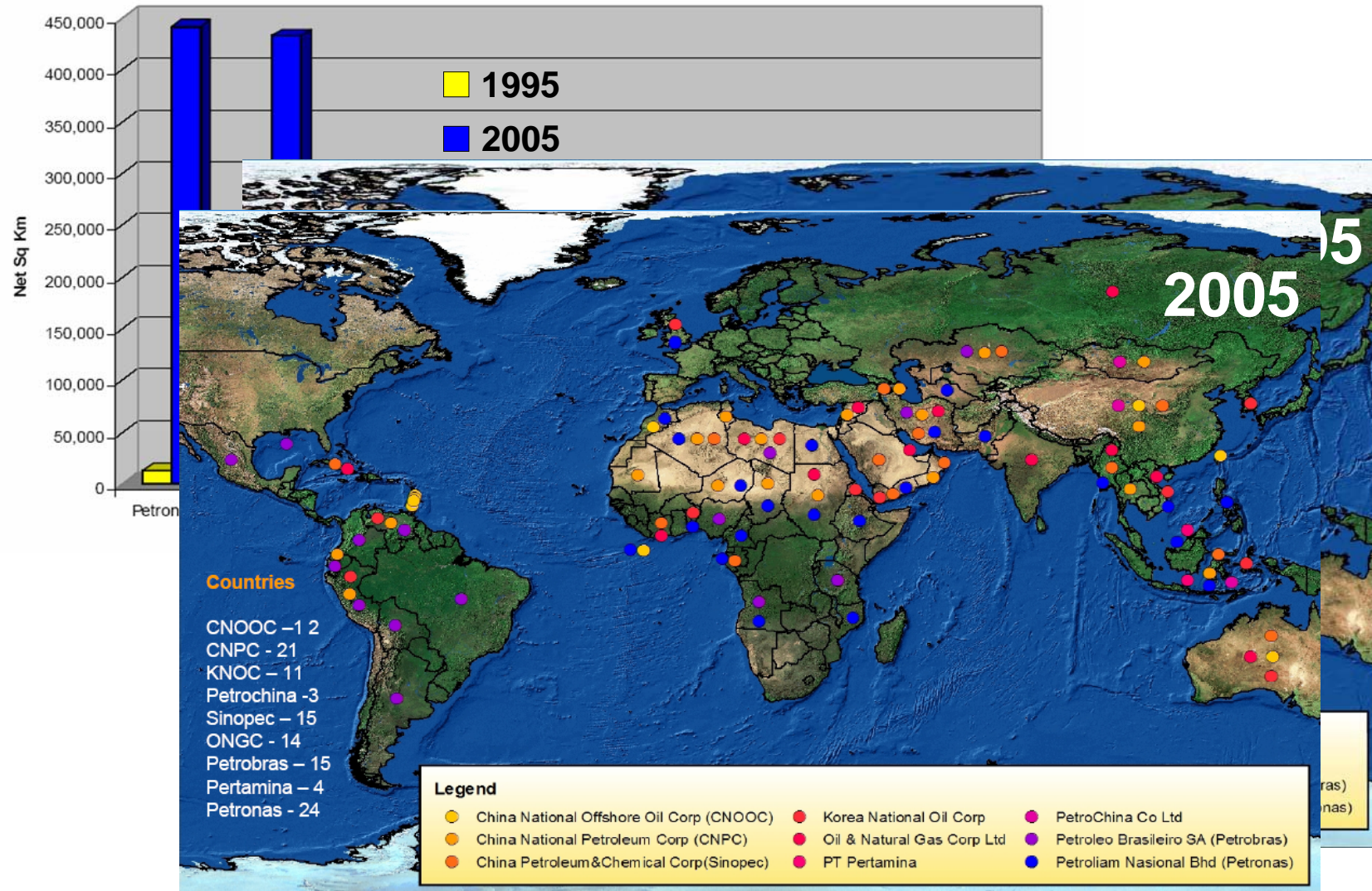
Remaining reserves



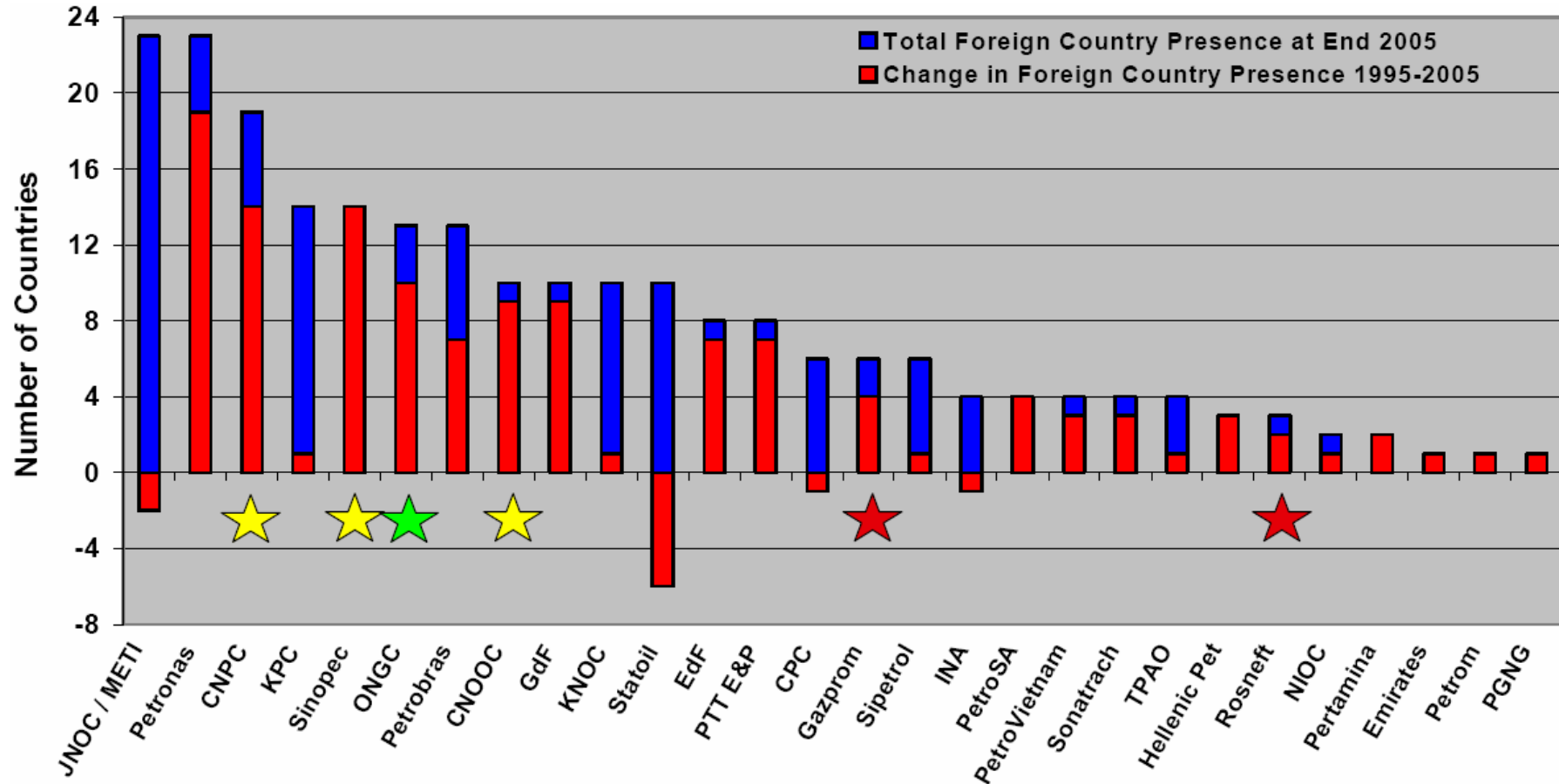
Who is controlling it ?



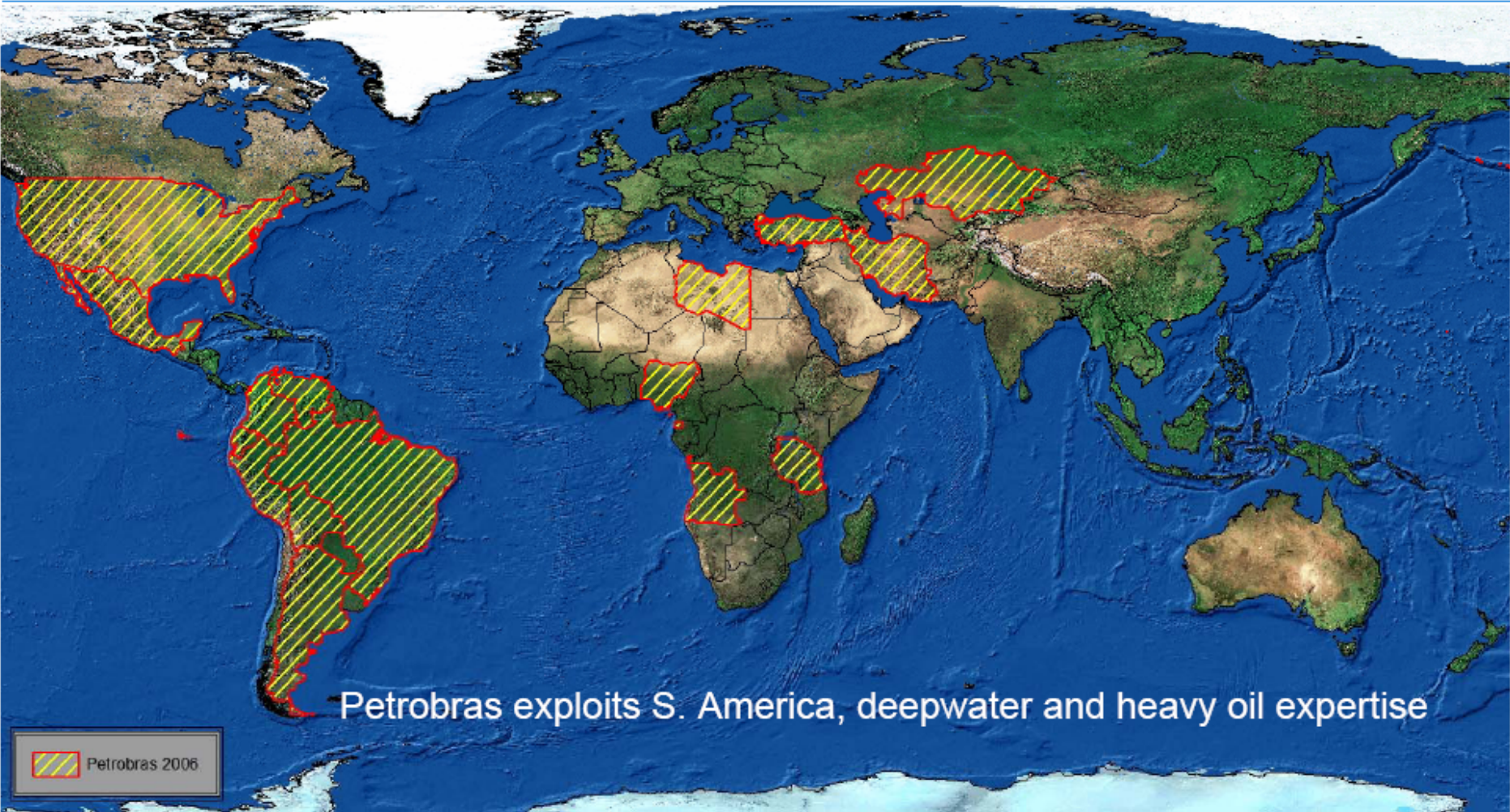
NOCs expanding

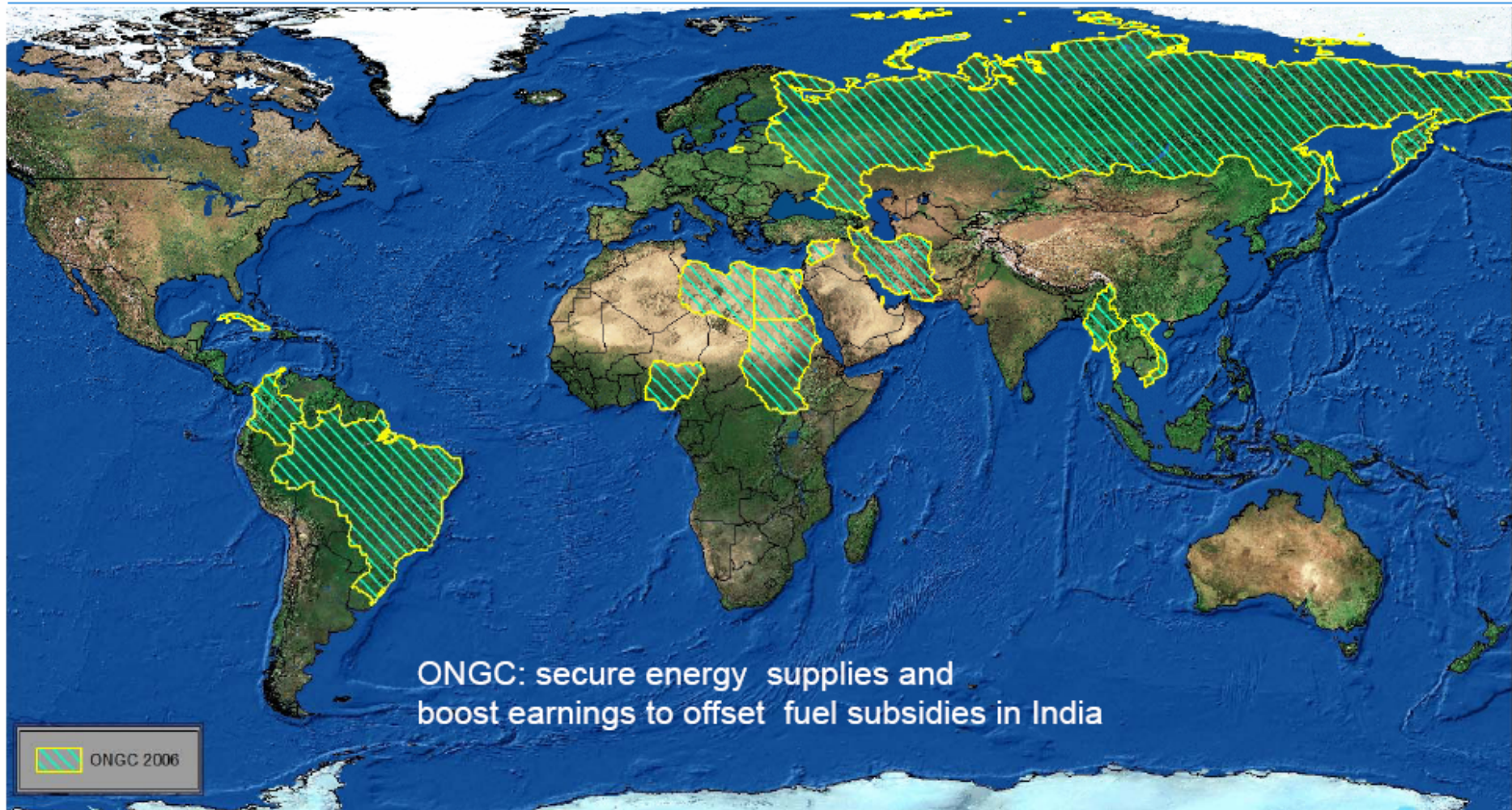


NOC presence

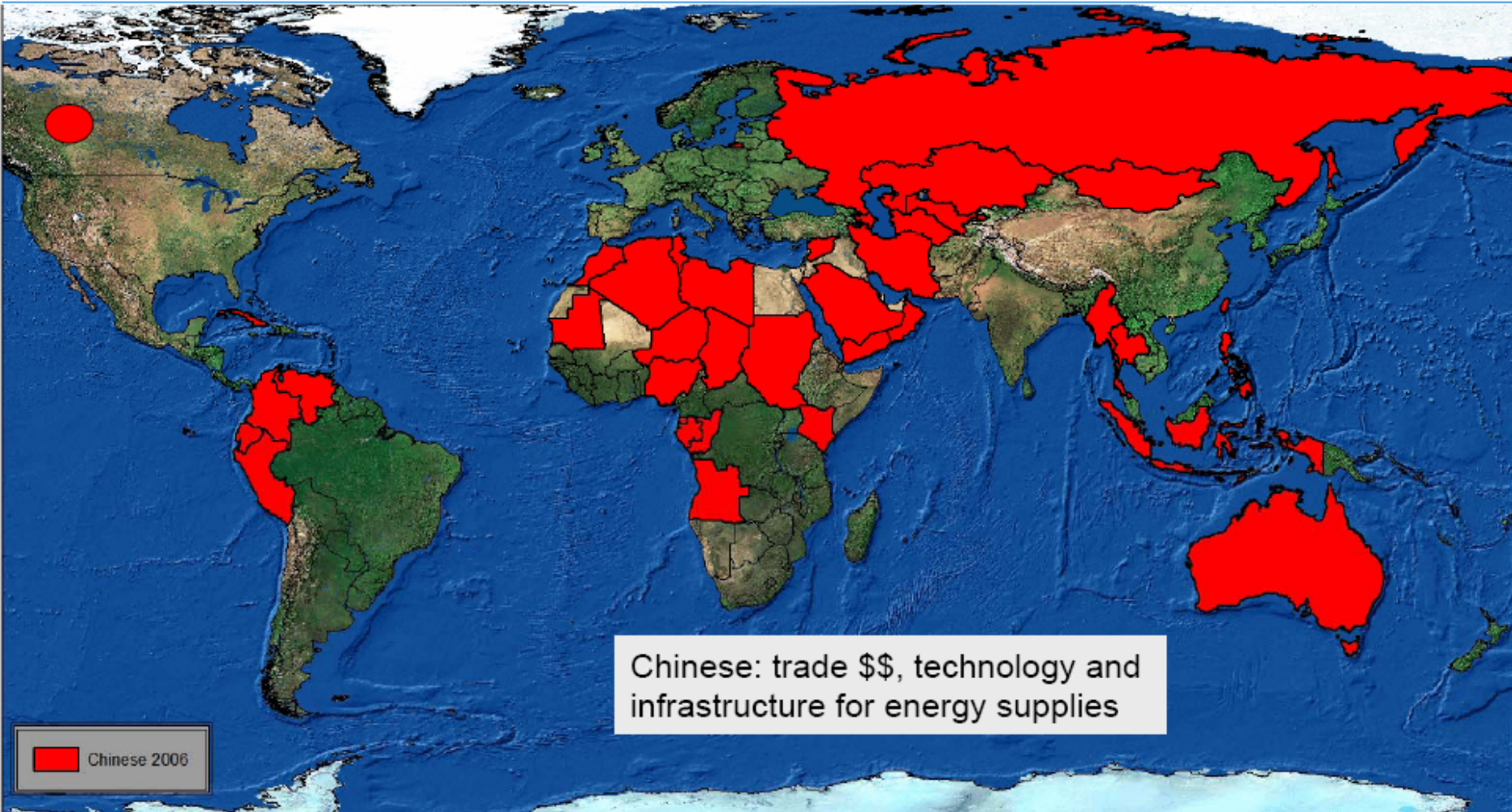


Petrobras

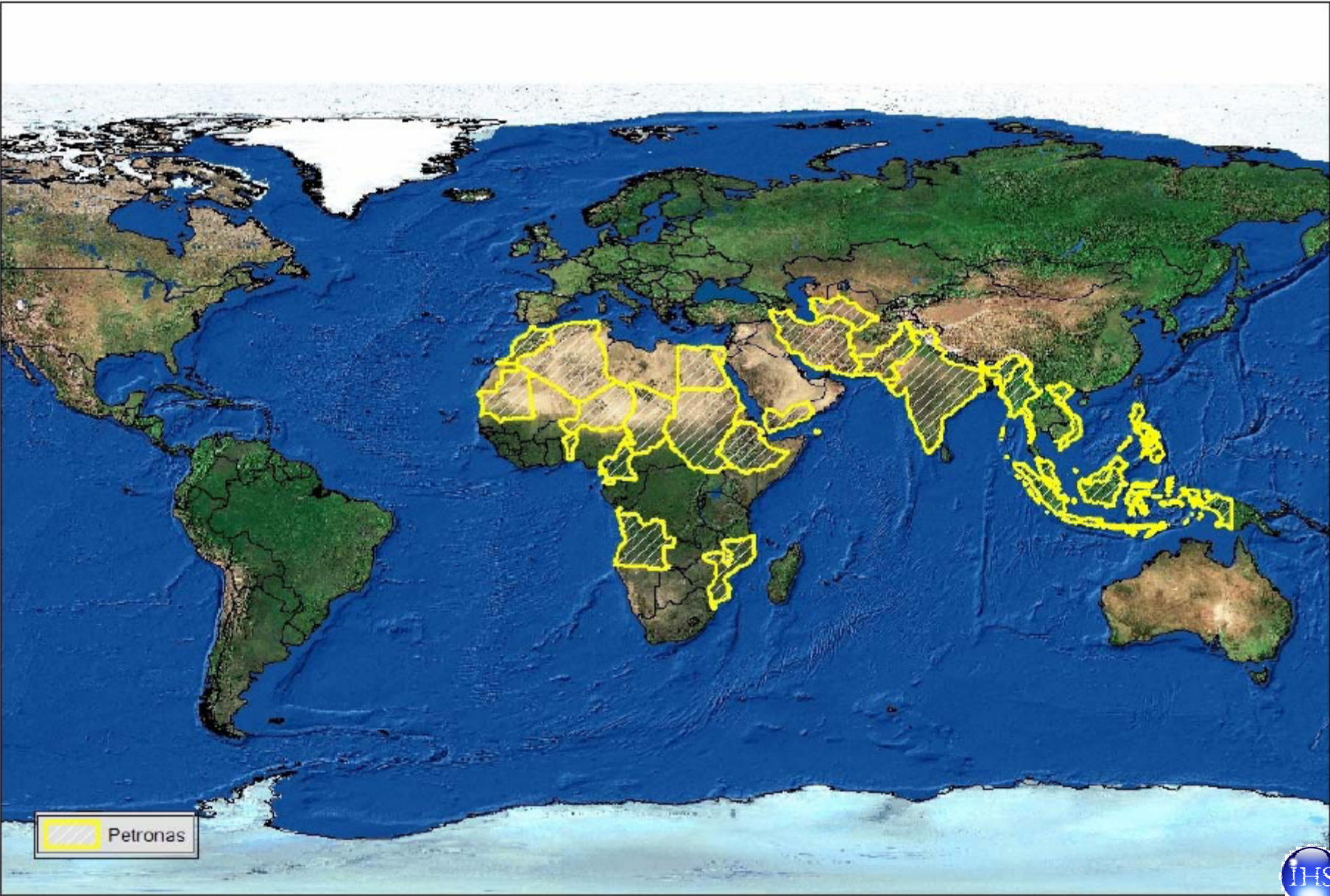




Chinese NOCs

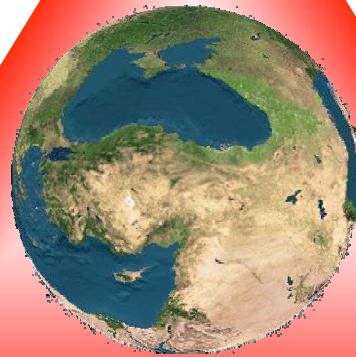


Petronas



Turkey's Role

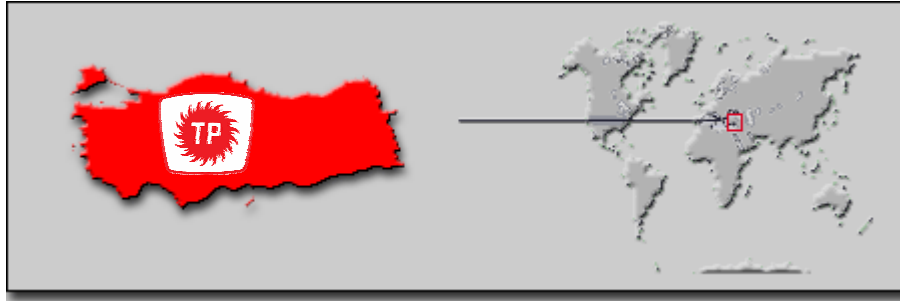
MARKET



TRANSIT

PRODUCER

TPAO's role

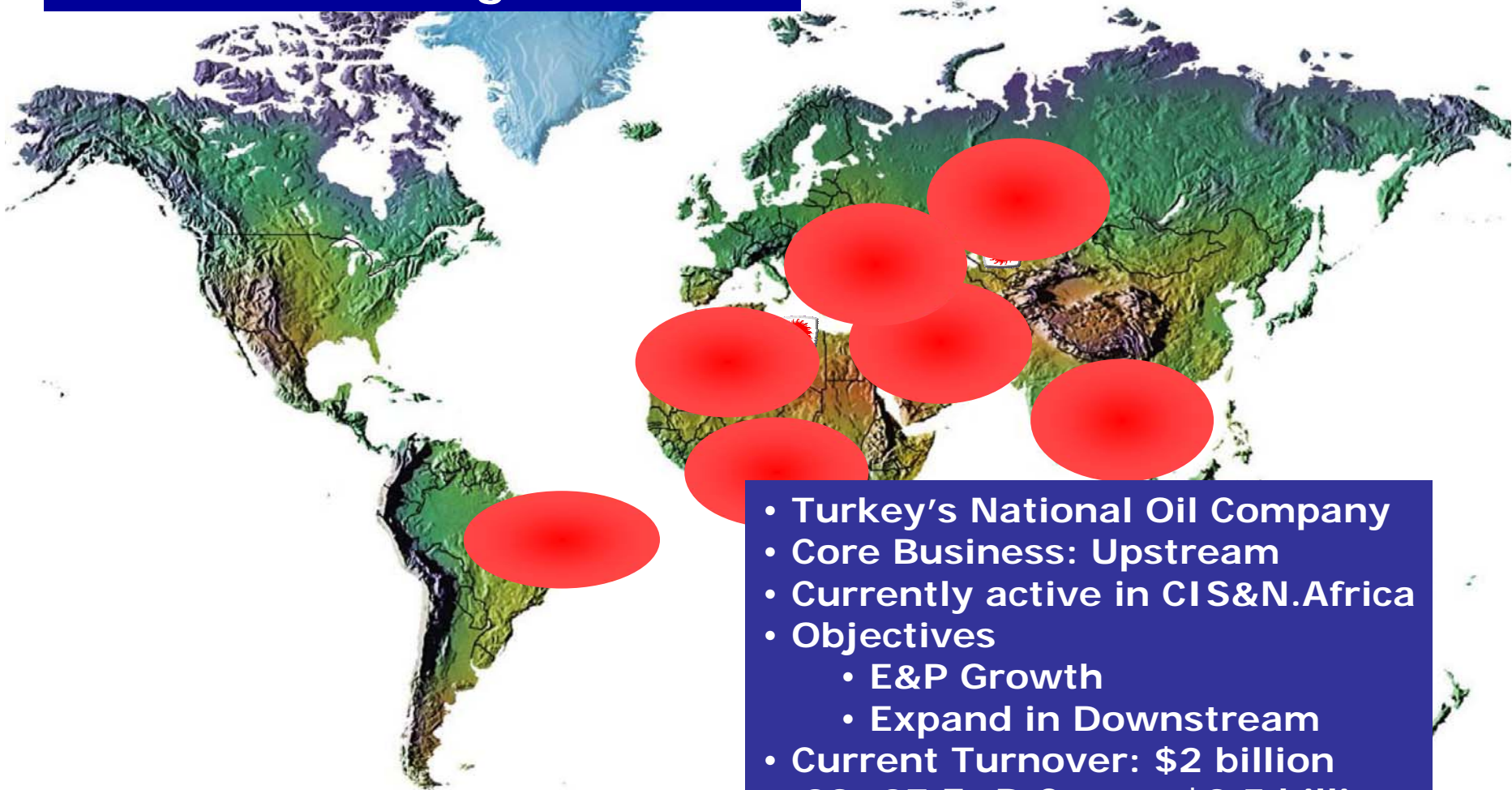


- GLOBAL PERSPECTIVE
- REGIONAL DOMINANCE
- PROMOTE E&P IN TURKEY
- KEY ROLE IN CORRIDOR

TPAO at a glance



TPAO intends to expand
along the stream

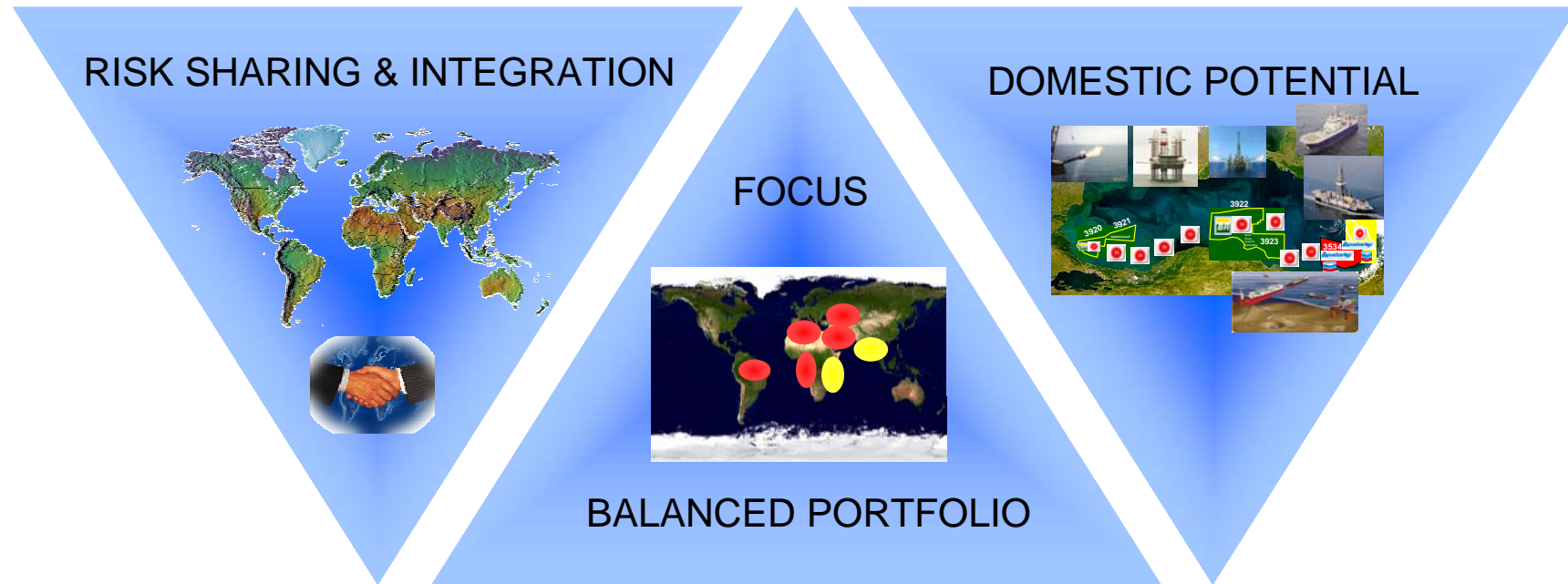


- Turkey's National Oil Company
- Core Business: Upstream
- Currently active in CIS&N.Africa
- Objectives
 - E&P Growth
 - Expand in Downstream
- Current Turnover: \$2 billion
- '03-'07 E&D Capex: \$3.5 billion
- Production : 90 thousand boed

TPAO Strategy 3A



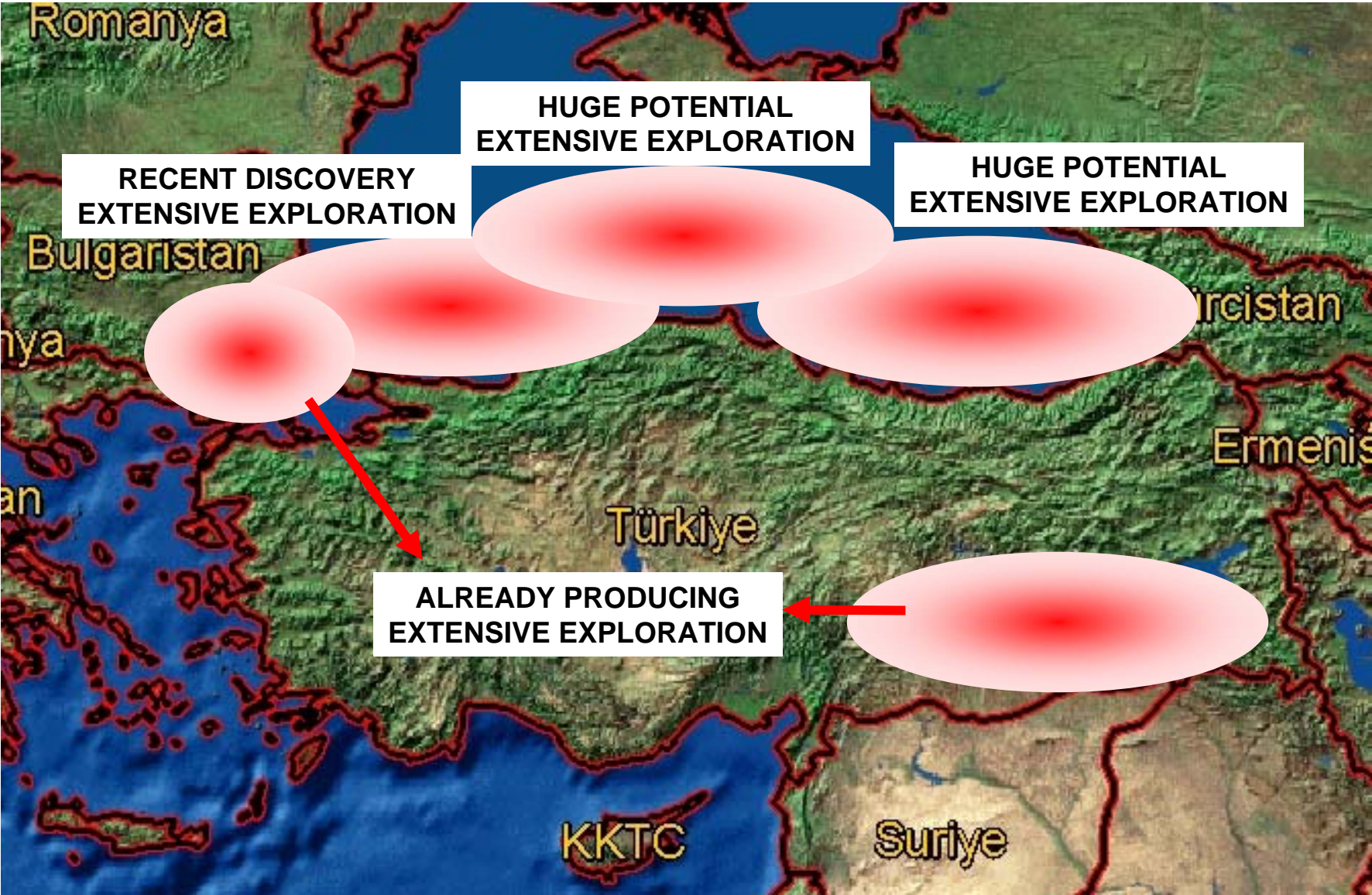
Acquisitions and E&P
for global reserve growth



Alliances and Strategic
Partnerships

Accelerated E&P
in offshore Turkey

Potential as a producer



TPAO across the region



Cooperation

