Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: June 30, 2011

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 001-34574

TRANSATLANTIC PETROLEUM LTD.

(Exact name of registrant as specified in its charter)

Bermuda	**None**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
Akmerkez B Blok Kat 5-6 Nisbetiye Caddesi 34330 Etiler, Istanbul, Turkey	**None**
(Address of principal executive offices)	**(Zip Code)**

Registrant's Telephone Number, Including Area Code: +90 212 317 25 00

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant is required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 5, 2011, the registrant had 365,409,722 common shares outstanding.

TABLE OF CONTENTS

Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

TRANSATLANTIC PETROLEUM LTD.
Consolidated Balance Sheets
(Unaudited)
(in thousands of U.S. dollars, except share data)

	June 30, 2011	December 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	$ 26,304	$ 34,676
Accounts receivable		
Oil and gas sales, net	34,535	23,077
Related party	1,811	3,783
Other	14,966	6,326
Prepaid and other current assets	13,849	6,376
Deferred income taxes	2,479	991
Assets held for sale	2,420	—
Total current assets	96,364	75,229
Property and equipment:		
Oil and gas properties (successful efforts method)		
Proved	192,519	157,508
Unproved	98,116	73,203
Drilling services and other equipment	199,469	174,654
	490,104	405,365
Less accumulated depreciation, depletion and amortization	(60,571)	(38,140)
Property and equipment, net	429,533	367,225
Other long-term assets:		
Restricted cash	7,710	7,956
Deposit on acquisition	—	10,000
Deferred charges	3,881	1,596
Goodwill	9,865	10,341
Total other assets	21,456	29,893
Total assets	$ 547,353	$ 472,347
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 23,026	$ 15,842
Accounts payable — related party	1,358	969
Accrued and other liabilities	23,573	10,329
Loans payable	15,046	30,869
Loan payable — related party	77,932	75,804
Derivative liabilities	5,837	1,612
Total current liabilities	146,772	135,425
Long-term liabilities:		
Asset retirement obligations	14,079	6,943
Accrued liabilities	4,690	724
Deferred income taxes	20,589	22,641
Loan payable	67,931	27,147
Loans payable — related party	426	2,932
Derivative liabilities	4,225	1,905
Total long-term liabilities	111,940	62,292
Total liabilities	258,712	197,717
Commitments and contingencies		
Shareholders' equity:		
Common shares, $0.01 par value, 1,000,000,000 shares authorized; 365,037,542 issued and outstanding as of June 30, 2011 and 336,442,984 as of December 31, 2010	3,650	3,364
Additional paid in capital	533,127	465,973
Accumulated other comprehensive income (loss)	(8,415)	1,812
Accumulated deficit	(239,721)	(196,519)
Total shareholders' equity	288,641	274,630
Total liabilities and shareholders' equity	$ 547,353	$ 472,347

The accompanying notes are an integral part of these consolidated financial statements.

TRANSATLANTIC PETROLEUM LTD.
Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)
(U.S. dollars and shares in thousands, except per share amounts)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2011	2010	2011	2010
Revenues:				
Oil and natural gas sales	$ 30,755	$ 15,836	$ 59,431	$ 27,153
Oilfield services	4,754	2,768	8,274	3,843
Total revenues	35,509	18,604	67,705	30,996
Costs and expenses:				
Production	4,156	4,697	8,258	8,886
Exploration, abandonment and impairment	4,463	4,149	11,695	8,422
Seismic and other exploration	939	2,273	2,428	2,668
Oilfield services costs	5,725	1,701	10,786	4,416
Revaluation of contingent consideration	1,250	—	1,250	—
General and administrative	10,246	6,774	20,502	12,553
Depreciation, depletion and amortization	12,797	4,243	21,088	7,232
Accretion of asset retirement obligations	338	59	552	105
Total costs and expenses	39,914	23,896	76,559	44,282
Operating loss	(4,405)	(5,292)	(8,854)	(13,286)
Other income (expense):				
Interest and other expense	(3,695)	(654)	(7,471)	(1,180)
Interest and other income	200	126	396	140
Gain (loss) on commodity derivative contracts	154	3,034	(9,157)	3,637
Foreign exchange loss	(75)	(348)	(560)	(481)
Total other income (expense)	(3,416)	2,158	(16,792)	2,116
Loss before income taxes	(7,821)	(3,134)	(25,646)	(11,170)
Current income tax expense	(2,268)	(1,943)	(4,979)	(3,003)
Deferred income tax benefit	1,141	468	3,321	686
Loss from continuing operations	(8,948)	(4,609)	(27,304)	(13,487)
Loss from discontinued operations, net of taxes	(11,648)	(11,825)	(15,898)	(14,287)
Net loss	$ (20,596)	$ (16,434)	$ (43,202)	$ (27,774)
Other comprehensive loss				
Foreign currency translation adjustment	(12,526)	(5,504)	(10,227)	(7,461)
Comprehensive loss	$ (32,122)	$ (21,938)	$ (53,429)	$ (35,235)
Net loss per common share:				
Basic and diluted net loss per common share				
From continuing operations	$ (0.03)	$ (0.02)	$ (0.08)	$ (0.04)
From discontinued operations	$ (0.03)	$ (0.04)	$ (0.05)	$ (0.05)
Basic and diluted weighted average shares outstanding	351,165	304,597	346,181	303,989

The accompanying notes are an integral part of these consolidated financial statements.

TRANSATLANTIC PETROLEUM LTD.
Consolidated Statements of Equity

(Unaudited)
(U.S. dollars and shares in thousands)

	Common Shares	Common Shares ($)	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Shareholders' Equity
Balance at December 31, 2010	336,443	3,364	465,973	1,812	(196,519)	274,630
Issuance of common shares	27,424	274	65,763	—	—	66,037
Exercise of warrants	80	1	95	—	—	96
Exercise of stock options	395	4	346	—	—	350
Issuance of restricted stock units	695	7	(7)	—	—	—
Share-based compensation	—	—	957	—	—	957
Foreign currency translation adjustments	—	—	—	(10,227)	—	(10,227)
Net loss	—	—	—	—	(43,202)	(43,202)
Balance at June 30, 2011	365,037	$ 3,650	$533,127	$ (8,415)	(239,721)	$ 288,641

The accompanying notes are an integral part of these consolidated financial statements.

TRANSATLANTIC PETROLEUM LTD.
Consolidated Statements of Cash Flows

(Unaudited)
(in thousands of U.S. dollars)

	For the Six Months Ended June 30,	
	2011	2010
Operating activities:		
Net loss	$(43,202)	$(27,774)
Adjustment for loss from discontinued operations	15,898	14,287
Net loss from continuing operations	(27,304)	(13,487)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation	957	870
Foreign currency loss	907	145
Unrealized loss (gain) on commodity derivative contracts	6,564	(3,637)
Amortization of debt issuance costs	1,252	233
Deferred income tax benefit	(3,321)	(686)
Amortization of warrants — related party	1,971	—
Exploration, abandonment and impairment	8,457	3,142
Depreciation, depletion and amortization	21,088	7,232
Accretion of asset retirement obligations	552	105
Loss on revaluation of contingent consideration	1,250	—
Changes in operating assets and liabilities, net of effect of acquisitions:		
Accounts receivable	4,337	(16,127)
Prepaid expenses and other assets	(5,379)	(4,588)
Accounts payable and accrued liabilities	13,353	3,698
Net cash provided by (used in) operating activities from continuing operations	24,684	(23,100)
Net cash used in operating activities from discontinued operations	(6,594)	(8,554)
Net cash provided by (used in) operating activities	18,090	(31,654)
Investing activities:		
Acquisitions net of cash	(747)	—
Additions to oil and gas properties	(30,332)	(23,039)
Additions to drilling services and other equipment	(4,141)	(29,956)
Net cash used in investing activities of continuing operations	(35,220)	(52,995)
Net cash provided by (used in) investing activities of discontinued operations	2,391	(2,347)
Net cash used in investing activities	(32,829)	(55,342)
Financing activities:		
Exercise of stock options and warrants	446	1,034
Issuance costs	—	(1)
Loan proceeds	12,854	5,000
Loan proceeds — related party	—	68,500
Loan repayment	(4,535)	(1,509)
Loan repayment — related party	(2,349)	(1,840)
Net cash provided by financing activities	6,416	71,184
Effect of exchange rate changes on cash and cash equivalents	(49)	(540)
Net decrease in cash and cash equivalents	(8,372)	(16,352)
Cash and cash equivalents, beginning of period	34,676	90,484
Cash and cash equivalents, end of period	$ 26,304	$ 74,132
Supplemental disclosures:		
Cash paid for interest	$ 4,083	$ 1,306
Cash paid for income taxes	$ 2,259	$ 1,446
Supplemental non-cash investing and financing activities:		
Issuance of common shares for acquisitions	66,037	—
Repayment of short-term credit facility from refinancing	30,000	—

The accompanying notes are an integral part of these consolidated financial statements.

TRANSATLANTIC PETROLEUM LTD.
Notes to Consolidated Financial Statements
(Unaudited)

1. General

Nature of operations

TransAtlantic Petroleum Ltd. (together with its subsidiaries, "we," "us," "our," the "Company" or "TransAtlantic") is a vertically integrated international oil and gas company engaged in the acquisition, exploration, development and production of oil and natural gas. We hold interests in developed and undeveloped oil and gas properties in Turkey, Morocco, Bulgaria and Romania. We own our own drilling rigs and oilfield service equipment, which we use to develop our properties in Turkey. In addition, our drilling services business provides oilfield services and drilling services to third parties in Turkey and Iraq. As of August 5, 2011, approximately 42% of our outstanding common shares were beneficially owned by N. Malone Mitchell, 3rd, our current chief executive officer and chairman of the board of directors.

Significant events and transactions which have occurred since January 1, 2011 include the following:

- on February 18, 2011, our wholly owned subsidiary, TransAtlantic Worldwide, Ltd. ("TransAtlantic Worldwide"), acquired Direct Petroleum Morocco, Inc. ("Direct Morocco") and Anschutz Morocco Corporation ("Anschutz"), and our wholly owned subsidiary TransAtlantic Petroleum Cyprus Limited ("TransAtlantic Cyprus"), acquired Direct Petroleum Bulgaria EOOD ("Direct Bulgaria"). In addition, TransAtlantic Worldwide purchased from the seller, Direct Petroleum Exploration, Inc. ("Direct"), all of Direct's right, title and interest in the amounts due to Direct by each of Direct Morocco, Anschutz and Direct Bulgaria. As consideration for the acquisition, TransAtlantic Worldwide paid $2.4 million in cash to Direct and we issued 8.9 million of our common shares (at a deemed price of $3.15 per common share), for total consideration of $34.5 million. At the time of the acquisition, Direct Morocco and Anschutz owned a 50% working interest in the Ouezzane-Tissa and Asilah exploration permits in Morocco, and Direct Bulgaria owned 100% of the working interests in the A-Lovech and Aglen exploration permits in Bulgaria;
- effective May 6, 2011, our board of directors appointed Mr. Mitchell to serve as our chief executive officer in addition to his duties as chairman of our board of directors. Matthew McCann, our former chief executive officer, tendered his resignation on May 5, 2011;
- on May 18, 2011, we amended and restated our senior secured credit facility with Standard Bank Plc ("Standard Bank") and BNP Paribas (Suisse) SA ("BNP Paribas") to extend the maturity date to May 18, 2016, to include our wholly owned subsidiaries Amity Oil International Pty. Ltd. ("Amity") and Petrogas Petrol Gaz ve Petrokimya Ürünleri Inşaat Sanayi ve Ticaret A.Ş. ("Petrogas") as borrowers, and to increase the borrowing base to $75.0 million, which further increased to $95.0 million following the joinder of Amity as a borrower. As of August 5, 2011, we had borrowed $72.5 million and had $22.5 million available for borrowing under this credit facility;
- on May 18, 2011, we entered into a first amendment to our credit agreement with Dalea Partners, LP ("Dalea") to extend the maturity date of the credit agreement to December 31, 2011 and to increase the interest rate to match the interest rate payable under our amended and restated credit facility with Standard Bank and BNP Paribas;
- on May 24, 2011, we used a portion of the amounts borrowed under the amended and restated credit facility to repay the $30.0 million short-term secured credit agreement, dated as of August 25, 2010, between TransAtlantic Worldwide and Standard Bank, which was scheduled to mature on May 25, 2011;
- on June 7, 2011, TransAtlantic Worldwide acquired all of the shares of Thrace Basin Natural Gas (Turkiye) Corporation ("TBNG") in exchange for (i) the issuance of 18.5 million of our common shares, (ii) the transfer of certain overriding royalty interests (ranging from 1.0% to 2.5% of the working interests) owned by TBNG on specified exploration licenses to the seller, Mustafa Mehmet Corporation ("MMC") or an affiliate, and (iii) the payment of $10.5 million in cash. Through the acquisition of TBNG, we acquired interests ranging from 25% to 62.5% in 11 exploration licenses and four production leases as well as drilling rigs and oilfield service assets;
- on June 27, 2011, we announced a decision to discontinue our operations in Morocco; and
- on August 4, 2011, our board of directors appointed Wil F. Saqueton to serve as our vice president and chief financial officer.

Basis of presentation

Our consolidated financial statements are expressed in U.S. Dollars and have been prepared by management pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"), and reflect all adjustments that are, in the opinion of management, necessary for a fair statement of the results for the interim periods, on a basis consistent with the annual audited consolidated financial statements. Certain information, accounting policies and footnote disclosures normally included in financial statements prepared in accordance with accounting principles

generally accepted in the United States of America ("U.S. GAAP") have been omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the summary of significant accounting policies and notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2010. All amounts in these notes to the consolidated financial statements are in U.S. Dollars unless otherwise indicated. In preparing financial statements, management makes informed judgments and estimates that affect the reported amounts of assets and liabilities as of the date of the financial statements and affect the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management reviews estimates, including those related to fair value measurements associated with acquisitions, the impairment of long-lived assets and goodwill, contingencies and income taxes. Changes in facts and circumstances may result in revised estimates and actual results may differ from these estimates.

The consolidated financial statements include the accounts of the Company and all controlled subsidiaries. All significant inter-company balances and transactions have been eliminated on consolidation.

2. Going concern

These unaudited consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern. These principles assume that we will be able to realize our assets and discharge our obligations in the normal course of operations for the foreseeable future.

We incurred a net loss of $43.2 million during the six months ended June 30, 2011. At June 30, 2011, the outstanding principal amount of our debt was $161.3 million, and we had a working capital deficiency of $50.4 million and significant commitments. Of our outstanding debt, $73.0 million under the Dalea credit agreement is due December 31, 2011. We forecast that we will need to either extend the maturity date of the Dalea credit agreement or raise additional debt or equity to fund our repayment of the Dalea credit agreement and to fund our operations, including our planned exploration and development activities. To obtain these funds, we are considering the issuance of common shares, public debt, private debt or the sale of assets. However, there is no assurance that our forecast will prove to be accurate or our efforts to raise additional debt or equity financing or consummate the sale of assets will prove to be successful. Should we be unable to raise additional financing, we will not have sufficient funds to continue operations beyond December 31, 2011. As a result, there is significant doubt regarding our ability to continue as a going concern. The continuing application of the going concern assumption is dependent upon our continuing ability to obtain the necessary financing to discharge our existing obligations, fund ongoing exploration, development and operations and ultimately achieve profitable operations.

Management believes the going concern assumption to be appropriate for these financial statements. If the going concern assumption was not appropriate, adjustments would be necessary to the carrying values of assets and liabilities, reported revenues and expenses and in the balance sheet classifications used in these consolidated financial statements.

3. Recent accounting policies

In January 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2010-06, *Improving Disclosures about Fair Value Measurements* ("ASU 2010-06"). The update provides amendments to Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures* ("ASC 820") that require more robust disclosures about: (1) the different classes of assets and liabilities measured at fair value, (2) the valuation techniques and inputs used, (3) the activity in Level 3 fair value measurements, and (4) the transfers between Levels 1, 2, and 3. The new disclosures and clarifications of existing disclosures are effective for interim and annual reporting periods beginning after December 15, 2009. Disclosures about purchases, sales, issuances and settlements in the roll forward of activity in Level 3 fair value measurements are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The adoption of ASU 2010-06 did not have a material impact on our financial statements.

In December 2010, FASB issued ASU No. 2010-28 *Intangibles—Goodwill and Other (Topic 350): When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts* ("ASU 2010-28"). ASU 2010-28 modifies Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts. For those reporting units, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. In determining whether it is more likely than not that a goodwill impairment exists, an entity should consider whether there are any adverse qualitative factors indicating that an impairment may exist. The update is effective for interim and annual reporting periods beginning after December 15, 2010. This update will be considered on an interim and annual basis when we review and perform our goodwill impairment test.

In December 2010, FASB issued ASU No. 2010-29 *Business Combinations (Topic 805): Disclosure of Supplementary Pro Forma Information for Business Combinations* ("ASU 2010-29"). ASU 2010-29 specifies that if a public entity presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. The update also expands the supplemental pro forma disclosures under ASC Topic 805 to include a description of

the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings. The update is effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010. The adoption of ASU 2010-29 did not have a material impact on our financial statements.

In May 2011, FASB issued ASU 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*, ("ASU 2011-04"). ASU 2011-04 amends ASC 820, providing a consistent definition and measurement of fair value, as well as similar disclosure requirements between U.S. GAAP and International Financial Reporting Standards. ASU 2011-04 changes certain fair value measurement principles, clarifies the application of existing fair value measurement and expands the ASC 820 disclosure requirements, particularly for Level 3 fair value measurements. ASU 2011-04 will be effective for interim and annual periods beginning after December 15, 2011. The adoption of ASU 2011-04 is not expected to have a material effect on our financial statements, but may require certain additional disclosures.

In June 2011, FASB issued ASU 2011-05, *Presentation of Comprehensive Income*, ("ASU 2011-05"). ASU 2011-05 requires the presentation of comprehensive income in either (1) a continuous statement of comprehensive income or (2) two separate but consecutive statements. ASU 2011-05 will be effective for fiscal years and interim periods within those years, beginning after December 15, 2011. The adoption of ASU 2011-05 is not expected to have a material effect on our financial statements.

We have reviewed other recently issued, but not yet adopted, accounting standards in order to determine their effects, if any, on our consolidated results of operations, financial position and cash flows. Based on that review, we believe that none of these pronouncements will have a significant effect on current or future earnings or operations.

4. Acquisitions

TBNG

On June 7, 2011, we acquired TBNG for cash consideration of $10.5 million and the issuance of 18.5 million of our common shares (at a deemed price of $2.05 per common share). Of the $10.5 million cash consideration, $10.0 million was paid in November 2010 as an option fee and applied to the purchase price. We engaged independent valuation experts to assist in the determination of the fair value of the assets and liabilities acquired in the acquisition. The following tables summarize the consideration paid in the acquisition and the preliminary recognized amounts of assets acquired and liabilities assumed which have been recognized at the acquisition date:

Consideration:

	(in thousands)
Cash consideration, net of purchase price adjustments	$ 10,504
Issuance of 18.5 million common shares	37,925
Fair value of total consideration transferred	$ 48,429

Acquisition-Related Costs:

Included in general and administrative expenses on our consolidated statement of operations for the six months ended June 30, 2011	$ 634

Recognized Amounts of Identifiable Assets Acquired and Liabilities Assumed at Acquisition:

Assets:	
Cash	$ 1,845
Accounts receivable	24,359
Restricted cash	4,931
Total financial assets	31,135
Other current assets, consisting primarily of prepaid expenses	3,273
Oil and gas properties:	
Proved properties	14,526
Unproved properties	9,439
Land and buildings	2,601
Drilling services equipment and vehicles	19,406
Total oil and gas properties and other equipment	45,972
Deferred tax asset	1,533
Liabilities:	
Accounts payable, consisting of normal trade obligations	8,538
Other current liabilities	1,886
Asset retirement obligation	6,480
Deferred tax liability	2,130
Bank loans	14,450
Total liabilities	33,484
Total identifiable net assets	$48,429

As of the date of acquisition, the fair value of the receivables acquired was $24.4 million, consisting of a gross amount of $27.9 million, with $3.5 million not expected to be collected.

The fair value of identifiable assets acquired and liabilities assumed are preliminary and subject to changes which may be material on the finalization of the properties and other equipment valuation reports and final determination of valuation amounts. The results of operations of TBNG are included in our consolidated results of operations beginning June 7, 2011, the closing date of the acquisition. The amounts of revenue and income of TBNG included in our consolidated statement of operations for the six months ended June 30, 2011 are shown below:

	(in thousands)	
	Revenue	Income
Actual from June 7, 2011 through June 30, 2011	$1,911	$ 419

Direct

On February 18, 2011, TransAtlantic Worldwide acquired Direct Morocco and Anschutz and TransAtlantic Cyprus acquired Direct Bulgaria, for cash consideration of $2.4 million and the issuance of 8.9 million of our common shares (at a deemed price of $3.15 per common share), for total consideration of $34.5 million. At the time of the acquisition, Direct Morocco and Anschutz owned a 50% working interest in the Ouezzane-Tissa and Asilah exploration permits in Morocco and Direct Bulgaria owned 100% of the working interests in the A-Lovech and Aglen exploration permits in Bulgaria.

The following tables summarize the consideration paid in the acquisition of Direct Morocco, Anschutz and Direct Bulgaria and the preliminary recognized amounts of assets acquired and liabilities assumed which have been recognized at the acquisition date:

Consideration:

	(in thousands)
Cash consideration, net of purchase price adjustments	$ 2,408
Issuance of 8,924,478 common shares	28,112
Liability classified contingent consideration	4,000
Fair value of total consideration transferred	$ 34,520

If certain post-closing milestones are achieved, we will issue additional consideration to Direct equal to: (i) $10.0 million worth of our common shares if the Deventci-R2 well in Bulgaria is a commercial success and (ii) $10.0 million worth of our common shares if Direct Bulgaria receives a production concession for a specified area in Bulgaria. Of this additional consideration, $5.0 million would be due if we have not commenced drilling the Deventci-R2 well by November 18, 2011, and $5.0 million would be due if the Deventci-R2 well has not cored the Etropole formation by February 18, 2012. The fair value of this contingent consideration represents our best estimate of the amounts to be paid for each of the milestones, based on the probability of commercial success for each of these milestones. Subsequent changes in the fair value of the liability will be recorded in earnings. As of June 30, 2011, we have determined that the likelihood of payment for the failure to timely drill the Deventci-R2 well has increased. As a result, we recorded an additional $1.3 million, which is included under the caption “Revaluation of contingent consideration” on the consolidated statements of operations and comprehensive loss.

Acquisition-Related Costs:

Included in general and administrative expenses on our consolidated statement of operations for the six months ended June 30, 2011	$ 117

Recognized Amounts of Identifiable Assets Acquired and Liabilities Assumed at Acquisition:

Assets:	
Cash	$ 320
Accounts receivable	57
Total financial assets	377
Other current assets, consisting primarily of prepaid expenses	146
Oil and gas properties:	
Proved properties	5,000
Unproved properties	29,040
Other equipment	79
Total oil and gas properties, and other equipment	34,119
Liabilities:	
Accounts payable, consisting of normal trade obligations	122
Total liabilities	122
Total identifiable net assets	$34,520

The fair value of identifiable assets acquired and liabilities assumed are preliminary and subject to changes which may be material upon the receipt of final oil and gas properties valuation reports and tax records. The results of operations of Direct Morocco, Anschutz and Direct Bulgaria are included in our consolidated results of operations beginning February 18, 2011, the closing date of the acquisition.

The amounts of revenue and loss of Direct Morocco, Anschutz and Direct Bulgaria included in our consolidated statement of operations for the six months ended June 30, 2011 are shown below:

	Revenue	Loss
	(in thousands)	
Continuing operations	$ 255	$1,312
Discontinued operations	—	21
Total from February 18, 2011 through June 30, 2011	$ 255	$1,333

Amity and Petrogas

On August 25, 2010, TransAtlantic Worldwide acquired all of the shares of Amity and Petrogas in exchange for total cash consideration of $96.5 million. Through the acquisition of Amity and Petrogas, TransAtlantic Worldwide acquired interests ranging from 50% to 100% in 18 exploration licenses, one production lease and equipment. We funded $66.5 million of the purchase price from borrowings under our credit agreement with Dalea and $30.0 million of the purchase price from borrowings under our former short-term secured credit agreement with Standard Bank.

We engaged independent valuation experts to assist in the determination of the fair value of the assets and liabilities acquired in the acquisition. The following tables summarize the consideration paid in the Amity and Petrogas acquisition and the preliminary recognized amounts of assets acquired and liabilities assumed which have been recognized at the acquisition date:

Consideration:

	(in thousands)
Payment of cash for the acquisition of all the shares of Amity and 99.6% of the shares of Petrogas	$ 96,347
Payment of cash for the acquisition of 0.4% of the shares of Petrogas from non-controlling interest in Petrogas	200
Fair value of total consideration transferred	$ 96,547

Recognized Amounts of Identifiable Assets Acquired and Liabilities Assumed at Acquisition:

Assets:	
Cash	$ 299
Accounts receivable	295
Total financial assets	594
Other current assets, consisting primarily of prepaid expenses	1,721
Oil and gas properties:	
Unproved properties	49,758
Proved properties	54,813
Drilling services and related equipment	4,256
Inventory	3,032
Total oil and gas properties, drilling services and other equipment	111,859
Liabilities:	
Accounts payable, consisting of normal trade obligations	198
Accrued liabilities, consisting primarily of accrued compensated employee absences	677
Deferred income taxes	16,200
Asset retirement obligations, consisting of future plugging and abandonment liabilities on Amity's and Petrogas' developed wellbores as of August 25, 2010, based on internal and third-party estimates of such costs, adjusted for a historic Turkish inflation rate of approximately 6.5%, and discounted to present value using the Company's credit-adjusted risk-free rate of 7.2%	552
Total liabilities	17,627
Total identifiable net assets	$ 96,547

The fair value of oil and gas properties acquired and liabilities assumed are preliminary and subject to changes which may be material upon the receipt of final evaluation reports.

Pro Forma Results of Operations

The following table presents the unaudited pro forma results of operations as though the acquisitions of Amity and Petrogas, Direct and TBNG acquisitions had occurred as of January 1, 2010:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2011	2010	2011	2010
Total revenues	$ 42,529	$ 32,833	$ 83,496	$ 59,770
(Loss) income from continuing operations before income taxes	(2,654)	6,406	(13,457)	6,868
(Loss) income from continuing operations	(4,898)	3,132	(17,637)	950
Loss from discontinued operations	(11,648)	(11,825)	(15,898)	(14,287)
Net loss	(16,546)	(8,693)	(33,535)	(13,337)
(Loss) income per share from continuing operations				
Basic	$ (0.01)	$ 0.01	$ (0.05)	$ —
Diluted	$ (0.01)	$ 0.01	$ (0.05)	$ —
Loss per share from discontinued operations				
Basic	$ (0.03)	$ (0.04)	$ (0.04)	$ (0.04)
Diluted	$ (0.03)	$ (0.04)	$ (0.04)	$ (0.04)

5. Discontinued operations

In June 2011, we announced our intention to sell our existing operations in Morocco and transfer our drilling services equipment from Morocco to Turkey. All revenues and expenses associated with the Moroccan operations for the three and six months ended June 30, 2011 and 2010 have been included in discontinued operations.

The following presents the summary operating results for Morocco:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2011	2010	2011	2010
	(in thousands)			
Total revenues	$ 139	$ —	$ 187	$ —
Costs and expenses	11,691	11,846	15,914	14,292
Operating loss	11,552	11,846	15,727	14,292
Other expense (income)	96	(21)	171	(5)
Loss before income taxes	11,648	11,825	15,898	14,287
Total income tax expense	—	—	—	—
Loss from discontinued operations	$ 11,648	$ 11,825	$15,898	$14,287

The assets of discontinued operations presented under the caption "Assets held for sale" in the balance sheet for the period June 30, 2011 are valued at the lower of cost or fair value less the cost of selling.

6. Property and equipment

(a) *Oil and gas properties*. The following table sets forth the capitalized costs under the successful efforts method for oil and gas properties:

	June 30, 2011	December 31, 2010
	(in thousands)	
Oil and gas properties, proved:		
Turkey	$187,245	$ 157,508
Bulgaria	5,274	—
Total oil and gas properties, proved	$192,519	$ 157,508
Oil and gas properties, unproved:		
Turkey	$ 65,841	$ 66,698
Bulgaria	30,631	—
Morocco	—	5,036
Other	1,644	1,469
Total oil and gas properties, unproved	98,116	73,203
Accumulated depletion	(28,395)	(16,118)
Net oil and gas properties	$262,240	$ 214,593

At June 30, 2011 and December 31, 2010, we excluded $5.3 million and $11.7 million, respectively, from the depletion calculation for proved development wells currently in progress and for fields currently not in production.

At June 30, 2011, our oil and gas properties were comprised of $89.5 million relating to acquisition costs of proved properties, which are being amortized by the unit-of-production method using total proved reserves, and $69.3 million relating to exploratory well costs and additional development costs, which are being amortized by the unit-of-production method using proved developed reserves.

At December 31, 2010, our oil and gas properties were comprised of $92.4 million relating to acquisition costs of proved properties, which are being amortized by the unit-of-production method using total proved reserves, and $37.3 million relating to exploratory well costs and additional development costs which are being amortized by the unit-of-production method using proved developed reserves.

During the six months ended June 30, 2011, we incurred approximately $5.8 million in exploratory drilling costs, of which $2.6 million was charged to earnings (included in exploration, abandonment and impairment expense) and $3.2 million remained capitalized at June 30, 2011. We reclassified $1.1 million of our exploratory well costs to proved properties during the six months ended June 30, 2011. No amount of our exploratory well costs as of June 30, 2011 had been capitalized for a period of greater than one year after completion of drilling.

The recovery of the costs noted above are dependent upon us obtaining government approvals, obtaining and maintaining licenses in good standing and achieving commercial production or sale.

(b) *Drilling services and other equipment*. The historical cost of drilling services and other equipment is summarized as follows:

	June 30, 2011	December 31, 2010
	(in thousands)	
Drilling services equipment	$ 99,376	$ 83,916
Inventory	38,617	37,569
Gas gathering system and facilities	7,989	7,960
Fracture stimulation equipment	15,288	16,410
Seismic equipment	14,723	14,882
Vehicles	13,307	9,324
Office equipment and furniture	10,169	4,593
Gross drilling services and other property and equipment	199,469	174,654
Accumulated depreciation	(32,176)	(22,022)
Net drilling services and other property and equipment	$167,293	$ 152,632

We classify our materials and supply inventory, including steel tubing and casing, as long-term assets because such materials will ultimately be classified as long-term assets when the material is used in the drilling of wells.

At June 30, 2011, we excluded $2.0 million of gas gathering system and facilities, $0.9 million from drilling services equipment and $38.6 million of inventory from depreciation, as the facilities, equipment and inventory had not been placed into service.

At December 31, 2010, we excluded $0.4 million of drilling services equipment and $37.6 million of inventory from depreciation, as the equipment and inventory had not been placed into service.

7. Commodity derivative instruments

We use collar derivative contracts to economically hedge against the variability in cash flows associated with the forecasted sale of our future oil production. We have not designated the derivative financial instruments to which we are a party as hedges for accounting purposes, and accordingly, record such contracts at fair value and recognize changes in such fair value in current earnings as they occur.

Our commodity derivative contracts are carried at their fair value on our consolidated balance sheet under either the caption “Derivative liabilities” or “Derivative assets.” All of our oil derivative contracts are settled based upon Brent oil pricing. We recognize unrealized and realized gains and losses related to these contracts on a fair value basis in our consolidated statements of operations and comprehensive loss under the caption “Gain (loss) on commodity derivative contracts.” Settlements of derivative contracts are included in operating activities on our consolidated statements of cash flows.

For the three months ended June 30, 2011, we recorded a net gain on commodity derivative contracts of approximately $0.1 million consisting of a $2.0 million unrealized gain related to changes in fair value and a $1.9 million realized loss for settled contracts. For the six months ended June 30, 2011, we recorded a net loss on commodity derivative contracts of $9.2 million, consisting of a $6.5 million unrealized loss related to changes in fair value and a $2.7 million realized loss for settled contracts.

For the three and six months ended June 30, 2010, we recorded an unrealized gain on commodity derivative contracts of $3.0 million and $3.6 million, respectively.

At June 30, 2011 and December 31, 2010, we had outstanding contracts with respect to our future oil production as set forth in the tables below:

Fair Value of Derivative Instruments as of June 30, 2011

Type	Period	Quantity (Bbl/day)	Weighted Average Minimum Price (per Bbl)	Weighted Average Maximum Price (per Bbl)	Estimated Fair Value of Liability
					(in thousands)
Collar	July 1, 2011 — December 31, 2011	1,060	$ 64.39	$ 101.32	$ (2,450)
Collar	January 1, 2012 — December 31, 2012	960	$ 64.69	$ 106.98	(4,757)
Collar	January 1, 2013 — December 31, 2013	400	$ 75.00	$ 125.50	(701)
Collar	January 1, 2014 — December 31, 2014	380	$ 75.00	$ 124.25	(568)
					$ (8,476)

Type	Period	Collars: Quantity (Bbl/day)	Collars: Weighted Average Minimum Price (per Bbl)	Collars: Weighted Average Maximum Price (per Bbl)	Additional Call: Weighted Average Maximum Price (per Bbl)	Estimated Fair Value of Liability (in thousands)
Three-way collar contract	July 1, 2011—December 31, 2011	240	$ 70.00	$ 100.00	$ 129.50	$ (558)
Three-way collar contract	January 1, 2012—December 31, 2012	240	$ 70.00	$ 100.00	$ 129.50	(1,028)
						$ (1,586)

Fair Value of Derivative Instruments as of December 31, 2010

Type	Period	Quantity (Bbl/day)	Weighted Average Minimum Price (per Bbl)	Weighted Average Maximum Price (per Bbl)	Estimated Fair Value of Liability (in thousands)
Collar	January 1, 2011—December 31, 2011	1,060	$ 64.39	$ 101.32	$ (1,342)
Collar	January 1, 2012—December 31, 2012	960	$ 64.69	$ 106.98	(1,571)
					$ (2,913)

Type	Period	Collars: Quantity (Bbl/day)	Collars: Weighted Average Minimum Price (per Bbl)	Collars: Weighted Average Maximum Price (per Bbl)	Additional Call: Weighted Average Maximum Price (per Bbl)	Estimated Fair Value of Liability (in thousands)
Three-way collar contract	January 1, 2011—December 31, 2011	240	$ 70.00	$ 100.00	$ 129.50	$ (270)
Three-way collar contract	January 1, 2012—December 31, 2012	240	$ 70.00	$ 100.00	$ 129.50	(334)
						$ (604)

8. Asset retirement obligations

The following table summarizes the changes in our asset retirement obligations for the six months ended June 30, 2011 and for the year ended December 31, 2010:

	June 30, 2011	December 31, 2010
	(in thousands)	
Asset retirement obligations at January 1, 2011 and January 1, 2010	$ 6,943	$ 3,125
Acquisitions	6,480	552
Change in estimates	11	2,220
Foreign exchange change effect	(588)	(251)
Additions	680	827
Accretion expense	553	470
Asset retirement obligations at June 30, 2011 and December 31, 2010	$14,079	$ 6,943

9. Third Party Loans payable

Our third-party debt consisted of the following:

	June 30, 2011	December 31, 2010
	(in thousands)	
Third-Party Floating Rate Debt		
Senior secured credit facility	$66,000	$ 25,000
Short-term secured credit agreement	—	30,000
Unsecured lines of credit	303	126
TBNG credit agreement	9,159	—
TBNG loan payable	4,754	—
Third-Party Fixed Rate Debt		
Viking International equipment loan	2,761	2,890
Total debt	82,977	58,016
Less: short-term debt	15,046	30,869
Total long-term debt	$67,931	$ 27,147

Amended and Restated Senior Secured Credit Facility

On May 18, 2011, DMLP, Ltd. ("DMLP"), TransAtlantic Exploration Mediterranean International Pty. Ltd. ("TEMI"), Talon Exploration, Ltd. ("Talon Exploration"), TransAtlantic Turkey, Ltd. ("TAT") and Petrogas (collectively, and together with Amity, the "Borrowers") entered into the amended and restated senior secured credit facility with Standard Bank and BNP Paribas (the "amended and restated credit facility"). Each of the Borrowers are wholly owned subsidiaries. In July 2011, Amity executed a joinder agreement and became a borrower under the amended and restated credit facility. The amended and restated credit facility is guaranteed by us and each of TransAtlantic Petroleum (USA) Corp. and TransAtlantic Worldwide (collectively, the "Guarantors").

On May 24, 2011, we used a portion of the amounts borrowed under the amended and restated credit facility to repay the $30.0 million short-term secured credit agreement, dated as of August 25, 2010, between TransAtlantic Worldwide and Standard Bank, which was scheduled to mature on May 25, 2011. We plan to use the remainder of the amounts borrowed under the amended and restated credit facility to finance a portion of the development of our oil and gas properties in Turkey and for working capital purposes in Turkey.

The amount drawn under the amended and restated credit facility may not exceed the lesser of (i) $250.0 million, (ii) the borrowing base amount at such time, (iii) the aggregate commitments of all lenders at such time, and (iv) any amount borrowed from an individual lender to the extent it exceeds the aggregate amount of such lender's individual commitment. At June 30, 2011, the lenders had aggregate commitments of $120.0 million, with individual commitments of $60.0 million each. On the last day of each fiscal quarter commencing September 30, 2012 and at the maturity date, the lenders' commitments are subject to reduction by 6.25% of their commitments existing on such commitment reduction date.

The borrowing base amount under the amended and restated credit facility was increased to $95.0 million from $75.0 million following the joinder of Amity as a borrower. The borrowing base is re-determined semi-annually on April 1st and October 1st of each year prior to September 30, 2012 and quarterly on January 1st, April 1st, July 1st and October 1st of each year after September 30, 2012. The borrowing base amount equals, for any calculation date, the lowest of:

- the debt value which results in the field life coverage ratio for such calculation date being 1.50 to 1.00;

- the debt value which results in the loan life coverage ratio for such calculation date being 1.30 to 1.00; and
- the debt value which results in a debt service coverage ratio for any calculation period being 1.25 to 1.00.

The field life coverage ratio means, for any calculation date, the ratio of (i) the net present value of cash flow available for debt service from the calculation date until the last abandonment date, to (ii) the aggregate outstanding principal amount of the loans, plus the aggregate undrawn maximum face amount of letters of credit, plus the aggregate unpaid drawings on such calculation date, minus the aggregate credit balance of the cash collateral account on such calculation date. The loan life coverage ratio means, for any calculation date, the ratio of (i) the net present value of the cash flow available for debt service from the calculation date until the maturity date, to (ii) the aggregate principal amount of the loans, plus the aggregate undrawn maximum face amount of letters of credit, plus the aggregate unpaid drawings on such calculation date, minus the aggregate credit balance of the cash collateral account on such calculation date. The debt service coverage ratio means, for any calculation date, the ratio of (i) the cash flow available for debt service for such calculation period, to (ii) the aggregate amount of all principal, interest and fees due and payable under the loan documents during such calculation period.

The amended and restated credit facility matures on the earlier of (i) May 18, 2016 or (ii) the last date of the borrowing base calculation period that immediately precedes the date that the semi-annual report of Standard Bank and the Borrowers determines that the aggregate amount of hydrocarbons to be produced from the borrowing base assets in Turkey are less than 25% of the amount of hydrocarbons to be produced from the borrowing base assets shown in the initial report prepared by Standard Bank and the Borrowers. The amended and restated credit facility bears various letter of credit sub-limits, including among other things, sub-limits of up to (i) $10.0 million, (ii) the aggregate available unused and uncancelled portion of the lenders' commitments or (iii) any amount borrowed from an individual lender to the extent it exceeds the aggregate amount of such lender's individual commitment.

Loans under the amended and restated credit facility accrue interest at a rate of three-month London Interbank Offered Rate ("LIBOR") plus 5.50% per annum.

The Borrowers are also required to pay (i) a commitment fee payable quarterly in arrears at a per annum rate equal to (a) 2.75% per annum of the unused and uncancelled portion of the aggregate commitments that is less than or equal to the maximum available amount under the amended and restated credit facility, and (b) 1.65% per annum of the unused and uncancelled portion of the aggregate commitments that exceed the maximum available amount under the amended and restated credit facility, (ii) on the date of issuance of any letter of credit, a fronting fee in an amount equal to 0.25% of the original maximum amount to be drawn under such letter of credit and (iii) a per annum letter of credit fee for each letter of credit issued equal to the face amount of such letter of credit multiplied by (a) 1.0% for any letter of credit that is cash collateralized or backed by a standby letter of credit issued by a financial institution acceptable to Standard Bank or (b) 5.50% for all other letters of credit.

The amended and restated credit facility is secured by a pledge of (i) the local collection accounts and offshore collection accounts of each of the Borrowers, (ii) the receivables payable to each of the Borrowers, (iii) the shares of each Borrower, (iv) the hydrocarbon licenses owned by the Borrowers in Turkey and (v) substantially all of the present and future assets of the Borrowers.

The Borrowers are required to maintain certain ratios under the amended and restated credit facility's financial covenants during the four most recently completed fiscal quarters occurring on or after March 31, 2011. These financial covenants require each of the Borrowers to maintain a:

- ratio of combined current assets to combined current liabilities of not less than 1.10 to 1.00;
- ratio of EBITDAX (less non-discretionary capital expenditures) to aggregate amounts payable under the amended and restated credit facility of not less than 1.50 to 1.00;
- ratio of EBITDAX (less non-discretionary capital expenditures) to interest expense of not less than 4.00 to 1.00; and
- ratio of total debt to EBITDAX of less than 2.50 to 1.00.

The amended and restated credit facility defines EBITDAX as net income (excluding extraordinary items) plus, to the extent deducted in calculating such net income, (i) interest expense (excluding interest paid-in-kind, or non cash interest expense and interest incurred on certain subordinated intercompany debt or interest on equity recapitalized into subordinated debt), (ii) income tax expense, (iii) depreciation, depletion and amortization expense, (iv) amortization of intangibles and organization costs, (v) any extraordinary, unusual or non-recurring non-cash expenses or losses, (vi) expenses incurred in connection with oil

and gas exploration activities entered into in the ordinary course of business (including related drilling, completion, geological and geophysical costs), (vii) transaction costs, expenses and fees incurred in connection with the negotiation, execution and delivery of the amended and restated credit facility and the related loan documents, and (vii) any other non-cash charges (including dry hole expenses and seismic expenses, to the extent such expenses would be capitalized), minus, to the extent included in calculating net income, (a) any extraordinary, unusual or non-recurring income or gains (including, gains on the sales of assets outside of the ordinary course of business) and (b) any other non-cash income or gains.

Pursuant to the terms of the amended and restated credit facility, until amounts under the amended and restated credit facility are repaid, each of the Borrowers shall not, and shall cause each of its subsidiaries not to, in each case subject to certain exceptions (i) incur indebtedness or create any liens, (ii) enter into any agreements that prohibit the ability of any Borrower or its subsidiaries to create any liens, (iii) enter into any merger, consolidation or amalgamation, liquidate or dissolve, (iv) dispose of any property or business, (v) pay any dividends, distributions or similar payments to shareholders, (vi) make certain types of investments, (vii) enter into any transactions with an affiliate, (viii) enter into a sale and leaseback arrangement, (ix) engage in any business or business activity, own any assets or assume any liabilities or obligations except as necessary in connection with, or reasonably related to, its business as an oil and gas exploration and production company or operate or carry on business in any jurisdiction outside of Turkey or its jurisdiction of formation, (x) change its organizational documents, (xi) permit its fiscal year to end on a day other than December 31st or change its method of determining fiscal quarters, or alter the accounting principles it uses, (xii) modify certain hydrocarbon licenses and agreements or material contracts, (xiii) enter into any hedge agreement for speculative purposes or (xiv) open or maintain new deposit, securities or commodity accounts.

An event of default under the amended and restated credit facility includes, among other events, failure to pay principal or interest when due, breach of certain covenants and obligations, cross default to other indebtedness, bankruptcy or insolvency, failure to meet the required financial covenant ratios and the occurrence of a material adverse effect. In addition, the occurrence of a change of control is an event of default. A change of control is defined as the occurrence of any of the following: (i) our failure to own, of record and beneficially, all of the equity of the Borrowers or any Guarantor or to exercise, directly or indirectly, day-to-day management and operational control of any Borrower or Guarantor; (ii) the failure by the Borrowers to own or hold, directly or indirectly, all of the interests granted to Borrowers pursuant to certain hydrocarbon licenses designated in the amended and restated credit facility; or (iii) (a) Mr. Mitchell ceases for any reason to be the executive chairman of our board of directors at any time, (b) Mr. Mitchell and certain of his affiliates cease to own of record and beneficially at least 35% of our common shares; or (c) any person or group, excluding Mr. Mitchell and certain of his affiliates, shall become, or obtain rights to become, the beneficial owner, directly or indirectly, of more than 35% of our outstanding common shares entitled to vote for members of our board of directors on a fully-diluted basis. Provided that, if Mr. Mitchell ceases to be executive chairman of our board of directors by reason of his death or disability, such event shall not constitute an event of default unless we have not appointed a successor reasonably acceptable to the lenders within 60 days of the occurrence of such event.

If an event of default shall occur and be continuing, all loans under the amended and restated credit facility will bear an additional interest rate of 2.00% per annum. In the case of an event of default upon bankruptcy or insolvency, all amounts payable under the amended and restated credit facility become immediately due and payable. In the case of any other event of default, all amounts due under the amended and restated credit facility may be accelerated by the lenders or the administrative agent. Borrowers have certain rights to cure an event of default arising from a violation of the fixed charge coverage ratio or the interest coverage ratio by obtaining cash equity or loans from us.

Short-Term Secured Credit Agreement

On August 25, 2010, TransAtlantic Worldwide entered into a short-term secured credit agreement with Standard Bank pursuant to which TransAtlantic Worldwide borrowed $30.0 million from Standard Bank. The short-term secured credit agreement was guaranteed by us and each of TransAtlantic Petroleum (USA) Corp., Amity and Petrogas. TransAtlantic Worldwide used the proceeds of the short-term secured credit agreement to finance a portion of the purchase price for the shares of Amity and Petrogas. Borrowings under the short-term secured credit agreement accrued interest at a rate of LIBOR plus the applicable margin. The applicable margin equaled 3.75% for interest that accrued before November 23, 2010, 4.00% for interest that accrued on or after November 23, 2010 and before February 20, 2011 and 4.25% for interest that accrued on or after February 20, 2011 and before May 25, 2011. In addition, TransAtlantic Worldwide paid an arrangement fee of $750,000.

The short-term secured credit agreement was scheduled to mature on May 25, 2011. TransAtlantic Worldwide repaid the loan in full on May 24, 2011, at which time the short-term secured credit agreement was terminated.

Viking International Equipment Loan

On July 21, 2010 and December 30, 2010, Viking International Limited ("Viking International"), our wholly owned subsidiary, entered into a secured credit agreement with a Turkish bank to fund the purchase of vehicles. The credit agreement has a term of 48 months, matures on July 20, 2014, bears interest at an annual rate of 3.84% and is secured by the vehicles purchased with the proceeds of the loan. There is no further availability under the credit agreement.

As of June 30, 2011, the outstanding balance under the secured credit agreement was $2.8 million.

TBNG Credit Agreement

TBNG is a party to an unsecured credit agreement with a Turkish bank. At June 30, 2011, there were outstanding borrowings of approximately 19.4 million Turkish Lira (approximately $14.0 million) under the credit agreement. Borrowings under the credit agreement bear interest at a rate of 11.65% per annum, and interest is payable quarterly. The credit facility matures on September 13, 2011 and may be renewed for an additional period on the same terms.

10. Related party loans payable

Related-party debt consisted of the following:

Related Party Floating Rate Debt	June 30, 2011	December 31, 2010
	(in thousands)	
Dalea credit agreement	$73,000	$ 73,000
Dalea credit agreement discount – warrants	—	(1,972)
	73,000	71,028
Viking Drilling note	5,358	7,708
Total related party debt	78,358	78,736
Less: Short-term related party debt	77,932	75,804
Total long-term related party debt	$ 426	$ 2,932

Dalea Credit Agreement

On June 28, 2010, we entered into a credit agreement with Dalea. The purpose of the Dalea credit agreement was (i) to fund the acquisition of all of the shares of Amity and Petrogas (see note 4), and (ii) for general corporate purposes. On May 18, 2011, we entered into a first amendment to the Dalea credit agreement to extend the maturity date and increase the interest rate to match the interest rate payable under our amended and restated credit facility with Standard Bank and BNP Paribas.

Pursuant to the Dalea credit agreement, as amended, the aggregate unpaid principal balance, together with all accrued but unpaid interest and other costs, expenses or charges payable under the Dalea credit agreement are due and payable by us upon the earlier of (i) December 31, 2011, or (ii) the occurrence of an event of default and a demand for payment by Dalea. Events of default include, but are not limited to, payment defaults, defaults in the performance of any terms, covenants or conditions of the Dalea credit agreement or collateral documents, material misrepresentations by us or any subsidiary, we or any subsidiary ceases or threatens to cease to carry on business, the prohibition in trading in our shares or the suspension or delisting of our common shares from any stock exchange, any material adverse change occurs in us or any of our subsidiaries, Dalea believes in good faith that our ability to pay or perform any of the covenants contained in the Dalea credit agreement is materially impaired, our insolvency or the insolvency of any subsidiary, or a change in control of the Company. A change of control is defined as the change of ownership of, or control or direction over, directly or indirectly, 20% or more of our outstanding voting securities. If an event of default occurs and is continuing, Dalea may demand immediate payment of all monies owing under the Dalea credit agreement; provided, that with respect to certain specified events of default, all monies due under the Dalea credit agreement shall automatically become due and payable without any demand or any other action by Dalea or any other person.

Amounts due under the Dalea credit agreement accrue interest at a rate of three-month LIBOR plus 5.50% per annum beginning on May 1, 2011, to be adjusted monthly on the first day of each month. Prior to May 1, 2011, amounts due under the Dalea credit agreement accrued interest at a rate of three-month LIBOR plus 2.50% per annum. In addition, we are required to pay all accrued interest in arrears on the last day of each month until the date of repayment and at any time that the principal balance is due and payable. We may prepay the amounts due under the Dalea credit agreement at any time before maturity without penalty.

Under the terms of the Dalea credit agreement, we were required to issue Dalea 100,000 common share purchase warrants for each $1.0 million in principal amount advanced under the Dalea credit agreement. We borrowed an aggregate of $73.0 million under the Dalea credit agreement, and on September 1, 2010, we issued 7.3 million common share purchase warrants to Dalea. The common share purchase warrants are exercisable until September 1, 2013 and have an exercise price of $6.00 per share.

As of June 30, 2011, we had borrowed $73.0 million under the Dalea credit agreement. No further borrowings are permitted under the Dalea credit agreement.

Viking Drilling Note

On July 27, 2009, Viking International purchased the I-13 drilling rig and associated equipment from Viking Drilling, LLC ("Viking Drilling"). Dalea owns 85% of Viking Drilling. Viking International paid $1.5 million in cash for the drilling rig and entered into a note payable with Viking Drilling in the amount of $5.9 million. The note was due and payable on August 1, 2010, bore interest at a fixed rate of 10% per annum and was secured by the drilling rig and associated equipment. We paid interest under the note on November 1, 2009 and February 1, 2010. On February 19, 2010, Viking International purchased the I-14 drilling rig and associated equipment from Viking Drilling. Viking International paid $1.5 million in cash for the I-14 drilling rig and entered into an amended and restated note payable to Viking Drilling in the amount of $11.8 million, which was comprised of $5.9 million payable related to the I-14 drilling rig and $5.9 million payable related to the purchase of the I-13 drilling rig in July 2009. Under the terms of the amended and restated note, interest is payable monthly at a floating rate of LIBOR plus 6.25%, and the amended and restated note is due and payable August 1, 2012. The amended and restated note is secured by the I-13 and I-14 drilling rigs and associated equipment. As of June 30, 2011, the outstanding balance under the note was $5.4 million.

11. Shareholders' equity

June 2011 share issuance

On June 7, 2011, we issued 18.5 million common shares at a deemed price of $2.05 per share in a Regulation D private placement to an accredited investor in connection with the acquisition of TBNG.

February 2011 share issuance

On February 18, 2011, we issued 8.9 million common shares at a deemed price of $3.15 per share in a Regulation D private placement to an accredited investor in connection with the acquisition of Direct Morocco, Anschutz and Direct Bulgaria.

Restricted stock units

Share-based compensation expense of approximately $0.4 million and $1.0 million with respect to awards of restricted stock units ("RSUs") was recorded for the three and six months ended June 30, 2011, respectively. We recorded share-based compensation expense of $0.4 million and $0.8 million for the three and six months ended June 30, 2010, respectively.

As of June 30, 2011, we had approximately $3.2 million of unrecognized compensation expense related to unvested RSUs, which is expected to be recognized over a weighted average period of 2.0 years.

Stock option plan

Our Amended and Restated Stock Option Plan (2006) (the "Option Plan") terminated on June 16, 2009. All outstanding awards issued under the Option Plan remained in full force and effect. All options presently outstanding under the Option Plan have a five-year term. We did not grant any stock options during the six months ended June 30, 2011. At June 30, 2011, all stock options have been fully amortized.

Earnings per share

Because we reported a net loss for the three and six months ended June 30, 2011 and 2010, we excluded the following share based awards from the computation of earnings per share, as their effect would have been antidilutive:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2011	2010	2011	2010
Unvested RSUs	2,935,257	2,060,760	2,938,965	2,085,819
Stock options	1,959,167	2,715,134	2,012,298	2,986,107
Warrants	17,318,720	10,627,157	17,342,145	10,729,119

12. Segment information

We have two reportable operating segments, exploration and production of oil and natural gas ("E&P") and drilling services, within three geographic areas: Bulgaria, Romania and Turkey. Summarized financial information concerning our operating segments is shown in the following table:

	E&P	Drilling	Corporate	Total
		(in thousands)		
For the three months June 30, 2011				
Net revenues	$ 30,755	$ 22,123	$ —	$ 52,878
Inter-segment revenues	—	(17,369)	—	(17,369)
Total revenues	30,755	4,754	—	35,509
(Loss) income from continuing operations	$ 2,466	$ (5,219)	$ (6,195)	$ (8,948)
For the three months June 30, 2010				
Net revenues	$ 15,855	$ 10,250	$ —	$ 26,105
Inter-segment revenues	—	(7,501)	—	(7,501)
Total revenues	15,855	2,749	—	18,604
(Loss) income from continuing operations	$ 685	$ (752)	$ (4,542)	$ (4,609)
For the six months June 30, 2011				
Net revenues	$ 59,431	$ 39,345	$ —	$ 98,776
Inter-segment revenues	—	(31,071)	—	(31,071)
Total revenues	59,431	8,274	—	67,705
(Loss) income from continuing operations	$ (2,610)	$ (11,023)	$(13,671)	$ (27,304)
For the six months June 30, 2010				
Net revenues	$ 27,172	$ 12,839	$ —	$ 40,011
Inter-segment revenues	—	(9,015)	—	(9,015)
Total revenues	27,172	3,824	—	30,996
(Loss) income from continuing operations	$ (2,333)	$ (3,596)	$ (7,558)	$ (13,487)
Segment Assets				
As of June 30, 2011	$392,481	$145,287	$ 7,165	$544,933*
As of December 31, 2010	$295,352	$132,957	$ 44,038	$472,347*
Goodwill				
As of June 30, 2011	$ 9,865	$ —	$ —	$ 9,865
As of December 31, 2010	$ 10,341	$ —	$ —	$ 10,341

* Excludes assets from our discontinued Moroccan operations of $2,420 at June 30, 2011 and includes assets from our discontinued Moroccan operations of $41,200 at December 31, 2010.

Summarized financial information concerning our geographic areas is shown in the following table:

	Corporate	Bulgaria	Romania	Turkey	Total
			(in thousands)		
For the three months ended June 30, 2011					
Net revenues	$ 45	$ 127	$ —	$ 52,706	$ 52,878
Inter-segment revenues	—	—	—	(17,369)	(17,369)
Total revenues	45	127	—	35,337	35,509
(Loss) income from continuing operations	$ (6,287)	$ (1,292)	$ (300)	$ (1,069)	$ (8,948)
For the three months ended June 30, 2010					
Net revenues	$ 83	$ —	$ —	$ 26,022	$ 26,105
Inter-segment revenues	—	—	—	(7,501)	(7,501)
Total revenues	83	—	—	18,521	18,604
(Loss) income from continuing operations	$ (4,527)	$ —	$(1,688)	$ 1,606	$ (4,609)
For the six months ended June 30, 2011					
Net revenues	$ 92	$ 255	$ —	$ 98,429	$ 98,776
Inter-segment revenues	—	—	—	(31,071)	(31,071)
Total revenues	92	255	—	67,358	67,705
(Loss) from continuing operations	$(13,834)	$ (1,311)	$ (613)	$ (11,546)	$ (27,304)
For the six months ended June 30, 2010					
Net revenues	$ 101	$ —	$ —	$ 39,910	$ 40,011
Inter-segment revenues	—	—	—	(9,015)	(9,015)
Total revenues	101	—	—	30,895	30,996
(Loss) income from continuing operations	$ (7,807)	$ —	$(5,961)	$ 281	$ (13,487)
Segment assets					
June 30, 2011	$ 7,165	$37,028	$ 3,559	$497,181	$544,933*
December 31, 2010	$ 44,038	$ —	$ 3,465	$383,644	$431,147*
Goodwill					
June 30, 2011	$ —	$ —	$ —	$ 9,865	$ 9,865
December 31, 2010	$ —	$ —	$ —	$ 10,341	$ 10,341

* Excludes assets from our discontinued Moroccan operations of $2,420 and $41,200 at June 30, 2011 and December 31, 2010, respectively.

13. Financial instruments

Cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities were each estimated to have a fair value approximating the carrying amount at June 30, 2011 and December 31, 2010, due to the short maturity of those instruments.

Interest rate risk

We are exposed to interest rate risk as a result of our variable rate short-term cash holdings, and borrowings under our senior secured credit facility and the Dalea credit agreement. At June 30, 2011 and December 31, 2010, interest rate changes would have resulted in gains or losses in the market value of our senior secured credit facility, short-term secured credit agreement (which terminated May 24, 2011) and Dalea credit agreement due to differences between the current market interest rates and the rates governing these instruments.

Foreign currency risk

We have underlying foreign currency exchange rate exposure. Our currency exposures relate to transactions denominated in the Australian Dollar, Canadian Dollar, British Pound, Bulgarian Lev, European Union Euro, Romanian New Leu, Moroccan Dirham and Turkish Lira. We have not used foreign currency forward contracts to manage exchange rate fluctuations.

Commodity price risk

We are exposed to fluctuations in commodity prices for oil and natural gas. Commodity prices are affected by many factors including but not limited to supply and demand. At June 30, 2011 and December 31, 2010, we were a party to commodity derivative contracts (see note 7).

Concentration of credit risk

The majority of our receivables are within the oil and gas industry, primarily from our industry partners and from government agencies. Included in receivables are amounts due from Turkiye Petrolleri Anonim Ortakligi ("TPAO"), the national oil company of Turkey, and Turkiye Petrol Refinerileri A.Ş. ("TUPRAS"), a privately owned oil refinery in Turkey, which purchase substantially all of our oil production. The receivables are not collateralized. To date, we have experienced minimal bad debts and have no allowance for doubtful accounts. Other accounts receivable relating to value added taxes are due from various government agencies and are expected to be collected prior to December 31, 2011. The majority of our cash and cash equivalents are held by three financial institutions in the U.S. and Turkey.

Fair value measurements

The following table summarizes the valuation of our financial assets and liabilities as of June 30, 2011:

	Fair Value Measurement Classification			
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
		(in thousands)		
Liabilities:				
Floating rate debt	$ —	$ (78,358)	$ —	$ (78,358)
Senior secured credit facility	—	(66,000)	—	(66,000)
TBNG credit agreement	—	(9,159)	—	(9,159)
TBNG loan payable	—	(4,754)	—	(4,754)
Oil derivative contracts	—	(10,062)	—	(10,062)
Contingent consideration on acquisition	—	(5,250)	—	(5,250)
Total	$ —	$ (173,583)	$ —	$(173,583)

The following table summarizes the valuation of our financial assets and liabilities as of December 31, 2010:

	Fair Value Measurement Classification			
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
		(in thousands)		
Liabilities:				
Short-term secured credit agreement	$ —	$ (30,000)	$ —	$ (30,000)
Floating rate debt	—	(78,736)	—	(78,736)
Senior secured credit facility	—	(25,000)	—	(25,000)
Oil derivative contracts	—	(3,517)	—	(3,517)
Total	$ —	$ (137,253)	$ —	$(137,253)

14. Related party transactions

The following table summarizes related party accounts receivable and accounts payable as of June 30, 2011 and December 31, 2010:

	June 30, 2011	December 31, 2010
	(in thousands)	
Related party accounts receivable:		
Riata Management service agreement	$ —	$ 4
Maritas services agreement	1,798	3,700
VOS services agreement	13	79
Total related party accounts receivable	$1,811	$ 3,783
Related party accounts payable:		
Riata Management service agreement	$ 899	$ 863
Viking Drilling services agreement	—	21
Maritas services agreement	—	85
VOS services agreement	—	—
Gundem lease agreement	31	—
Viking Drilling note	428	—
Total related party accounts payable	$1,358	$ 969

Other transactions

In July 2008, Longfellow guaranteed the obligations of us and Longe Energy Limited under a farm-out agreement with Direct Morocco and Anschutz concerning the Ouezzane-Tissa and Asilah exploration permits in Morocco up to a maximum of $25.0 million. This guarantee was terminated on February 18, 2011 upon the acquisition of Direct Morocco and Anschutz.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

In this Quarterly Report on Form 10-Q, references to "we," "our," "us" or the "Company," refer to TransAtlantic Petroleum Ltd. and its subsidiaries on a consolidated basis. Unless stated otherwise, all sums of money stated in this Form 10-Q are expressed in U.S. Dollars.

Executive Overview

General. We are a vertically integrated, international oil and gas company engaged in the acquisition, exploration, development and production of oil and natural gas. We hold interests in developed and undeveloped oil and gas properties in Turkey, Morocco, Romania, and Bulgaria. We own our own drilling rigs and oilfield service equipment, which we use to develop our properties in Turkey. In addition, our drilling services business provides oilfield services and drilling services to third parties in Turkey and Iraq. As of August 5, 2011, approximately 42% of our outstanding common shares were beneficially owned by N. Malone Mitchell, 3rd, our chairman of the board of directors and chief executive officer.

Financial and Operational Performance Highlights. Highlights of our financial and operational performance from continuing operations for the second quarter of 2011 include:

- During the quarter ended June 30, 2011, we derived 68% of our revenues from the production of oil, 18% of our revenues from the production of natural gas and 14% of our revenues from oilfield services.
- Total oil and natural gas sales increased 94.2%, to $30.8 million for the quarter ended June 30, 2011 from $15.8 million realized in the same period in 2010. The increase was the result of an increase in production volumes and higher average prices.
- Oilfield services revenue increased 71.7%, to $4.8 million for the quarter ended June 30, 2011 from $2.8 million in same period in 2010.
- Production increased to approximately 219 net thousand barrels (Mbbls) of oil and approximately 862 net million cubic feet (Mmcf) of natural gas for the quarter ended June 30, 2011, compared to approximately 170 net Mbbls of oil and 355 net Mmcf of natural gas for the same period in 2010.
- For the three months ended June 30, 2011, we were producing an average of approximately 2,400 net barrels (Bbls) of oil per day and approximately 7.5 net Mmcf of natural gas per day from our producing gas fields, excluding production from Thrace Basin Natural Gas (Turkiye) Corporation ("TBNG"). On June 30, 2011, we produced approximately 2,520 net Bbls of oil and 15.2 net Mmcf of natural gas.
- For the quarter ended June 30, 2011, we incurred $49.7 million in capital expenditures, of which $37.9 million was a non-cash capital expenditure incurred in the acquisition of TBNG, compared to capital expenditures of $33.7 million for the same period in 2010. The decrease in cash capital expenditures was primarily due to significant purchases of drilling services equipment in 2010.
- As of June 30, 2011, our short-term borrowings decreased to $93.0 million, compared to short-term borrowings of $106.7 million as of December 31, 2010.

Revision to Year-End 2011 Production Estimate. We have reduced our estimated net producing rate for year-end 2011 from 10,000 barrels of oil equivalent per day ("Boepd") to a range of 7,000 Boepd to 7,500 Boepd, due primarily to deferred drilling in Turkey. The drilling deferrals include a late start on a 3D seismic survey at the Gocerler production lease, on which four development locations are dependent. We have moved one of our drilling rigs from Selmo to initiate our Arpatepe license drilling program. Also, civil unrest in southeastern Turkey caused the deferral of planned drilling at our Bakuk license until the first quarter of 2012. In the Thrace Basin, several drilling programs were suspended due to poor results on lead program wells. However, we anticipate the addition of an expanded drilling inventory to support additional Thrace Basin drilling programs beginning in the fourth quarter of 2011, primarily from five seismic programs totaling 912 square kilometers that are either completed or underway. Our objective is to continue to adjust the mix of our exploration programs based upon results and to re-deploy capital to higher return projects.

Recent Developments

Appointment of New Chief Financial Officer. On August 4, 2011, our board of directors appointed Wil F. Saqueton to serve as our vice president and chief financial officer. Mr. Saqueton had served as our controller since joining us in May 2011. Prior to joining us, Mr. Saqueton served as the vice president and chief financial officer of BCSW, LLC, the owner of Just Brakes in Dallas, Texas, from 2006 to 2010. From 1995 until 2006, he held a variety of positions, including strategic controller, at the Chipset Group of Intel Corporation. Prior to 1995, Mr. Saqueton was a senior associate at Price Waterhouse, LP. Mr. Saqueton holds a masters degree in business administration from the University of California, Davis.

Exit from Morocco Operations. On June 27, 2011, we announced our decision to discontinue our operations in Morocco. We intend to sell our existing interests in Morocco and transfer our drilling services equipment from Morocco to Turkey.

TBNG Acquisition. On June 7, 2011, our wholly owned subsidiary, TransAtlantic Worldwide, Ltd. ("TransAtlantic Worldwide") acquired all of the shares of TBNG from Mustafa Mehmet Corporation ("MMC") in exchange for (i) the issuance of 18.5 million of our common shares, (ii) the transfer of certain overriding royalty interests (ranging from 1.0% to 2.5% of the working interests) owned by TBNG on specified exploration licenses to MMC or an affiliate and (iii) the payment of $10.5 million in cash. TransAtlantic Worldwide applied the $10.0 million option fee it paid to MMC in November 2010 towards the purchase price at closing. Through the acquisition of TBNG, we acquired interests ranging from 25% to 62.5% in 11 exploration licenses and four production leases as well as drilling rigs and oilfield service assets. TBNG currently produces an average of approximately 7.0 Mmcf of natural gas per day in the Thrace Basin region of northwestern Turkey.

Repayment of Short-Term Secured Credit Agreement. On May 24, 2011, we used a portion of the amounts borrowed under our amended and restated credit facility with Standard Bank Plc ("Standard Bank") and BNP Paribas (Suisse) SA ("BNP Paribas") to repay the $30.0 million short-term secured credit agreement between TransAtlantic Worldwide and Standard Bank, which was scheduled to mature on May 25, 2011.

Amendment and Restatement of Senior Secured Credit Facility. On May 18, 2011, our wholly owned subsidiaries, DMLP, Ltd. ("DMLP"), Petrogas Petrol Gaz ve Petrokimya Ürünleri Inşaat Sanayi ve Ticaret A.Ş. ("Petrogas"), Talon Exploration, Ltd. ("Talon Exploration"), TransAtlantic Exploration Mediterranean International Pty. Ltd. ("TEMI") and TransAtlantic Turkey, Ltd. ("TAT") (collectively, and together with Amity Oil International Pty. Ltd. ("Amity"), the "Borrowers") amended and restated our senior secured credit facility with Standard Bank and BNP Paribas ("the amended and restated credit facility") to extend the maturity date to May 18, 2016, to include our wholly owned subsidiaries Amity and Petrogas as Borrowers, and to increase the borrowing base to $75.0 million, which further increased to $95.0 million following the joinder of Amity. We plan to use the amounts borrowed under the amended and restated credit facility to finance a portion of the development of our oil and gas properties in Turkey and for working capital purposes in Turkey. See "—Liquidity and Capital Resources—Amended and Restated Senior Secured Credit Facility."

Amendment of Dalea Credit Agreement. On May 18, 2011, we entered into a first amendment to our credit agreement, dated as of June 28, 2010, with Dalea Partners, LP ("Dalea") to extend the maturity date of the credit agreement to December 31, 2011 and to increase the interest rate payable under the credit agreement from three-month London Interbank Offered Rate ("LIBOR") plus 2.50% per annum to three-month LIBOR plus 5.50% per annum, to match the interest rate payable under our amended and restated credit facility with Standard Bank and BNP Paribas. Mr. Mitchell, our chairman of the board of directors and chief executive officer, and his wife own 100% of Dalea. See "—Liquidity and Capital Resources —Dalea Credit Agreement."

Appointment of New Chief Executive Officer. Effective May 6, 2011, our board of directors appointed Mr. Mitchell to serve as our chief executive officer in addition to his duties as chairman of our board of directors. Matthew McCann, our former chief executive officer, tendered his resignation on May 5, 2011.

Direct Petroleum Acquisition. On February 18, 2011, TransAtlantic Worldwide acquired Direct Petroleum Morocco, Inc. ("Direct Morocco"), Anschutz Morocco Corporation ("Anschutz") and our wholly owned subsidiary, TransAtlantic Petroleum Cyprus Limited acquired Direct Petroleum Bulgaria EOOD ("Direct Bulgaria"). In addition, TransAtlantic Worldwide purchased from the seller, Direct Petroleum Exploration, Inc. ("Direct"), all of Direct's right, title and interest in the amounts due to Direct by each of Direct Morocco, Anschutz and Direct Bulgaria. As consideration for the acquisition, TransAtlantic Worldwide paid $2.4 million in cash to Direct, and we issued 8.9 million of our common shares (at a deemed price of $3.15 per common share) to Direct in a private placement, for total consideration of $34.5 million. In addition, if certain post-closing milestones are achieved, we will issue additional consideration to Direct equal to: (i) $10.0 million worth of our common shares if the Deventci-R2 well in Bulgaria is a commercial success; and (ii) $10.0 million worth of our common shares if Direct Bulgaria receives a production concession for a specified area in Bulgaria. Of this additional consideration, $5.0 million would be due if we have not commenced drilling the Deventci-R2 well by November 18, 2011, and $5.0 million would be due if the Deventci-R2 well has not cored the Etropole formation by February 18, 2012.

Second Quarter 2011 Operational Update

During the second quarter of 2011, we continued to develop our Selmo oil field and Thrace Basin gas fields. In addition, we continued the process of integrating the properties, equipment and personnel of Amity, Petrogas, Direct Bulgaria and TBNG into our operations. For the quarter ended June 30, 2011, we produced an average of approximately 2,400 net Bbls of oil per day and approximately 7.5 net Mmcf of natural gas per day, excluding production from TBNG. On June 30, 2011, we produced approximately 2,520 net Bbls of oil and 15.2 net Mmcf of natural gas.

Turkey-Thrace Basin. In the Thrace Basin, we completed four wells, drilled and completed two wells and began drilling five additional wells. Effective June 7, 2011, we were producing an additional approximately 7.0 net Mmcf of natural gas per day from our acquisition of TBNG. We began drilling two additional wells on our TBNG acreage in June 2011.

On June 14, 2011, we entered into a farmout agreement with a subsidiary of Valeura Energy, Ltd. ("Valeura") under which Valeura will pay 100% of the costs to acquire 150 square kilometers of 3D seismic data and drill two exploration wells to a minimum depth of 1,500 meters (approximately 5,000 feet) to earn a 50% interest in our Malkara licenses 4094 and 4532. We will retain a 50% interest in the two licenses, and we expect the 3D seismic acquisition to commence by October 2011.

On July 21, 2011, Petrogas was awarded a wholesale natural gas license and began selling gas from our Edirne license 4037 at a rate of approximately 3.3 net Mmcf per day.

Southeastern Turkey. At Selmo, we completed two wells and began drilling five additional wells. On our Arpatepe license, we and the operator of the license, Aladdin Middle East, Ltd., each mobilized one drilling rig to initiate operations for the drilling of a development well and an exploration well. We expect to have results from these two wells in August 2011 and, depending on drilling results, plan to maintain two drilling rigs at Arpatepe through the end of 2011.

In addition, we completed a 23-kilometer, 6-inch pipeline from the Bakuk-101 well to an existing pipeline to the south, commissioned the pipeline and began selling limited quantities of natural gas from the well in April 2011. We anticipate natural gas sales from the Bakuk-101 well to grow to approximately 2.0 net Mmcf per day in September 2011 after Turkiye Petrolleri Anonim Ortakligi ("TPAO"), the national oil company of Turkey, completes a tie-in from our existing pipeline to a nearby power plant.

Bulgaria. We continued evaluating potential locations in Bulgaria for a planned Deventci-R2 well on the A-Lovech permit (100% working interest) to appraise the Orzirovo formation on the northern portion of the license.

Romania. We continued evaluating a potential exploration well to test a Silurian-aged shale and a potential Jurassic-aged oil play and reprocessing seismic data previously shot over the Sud Craiova exploration license (50% working interest). We recently applied for a two-year extension on the Sud Craiova license along with the operator of the license, Sterling Resources, Ltd. ("Sterling"). As a condition to the extension, we committed to participate in a 200 kilometer 2D seismic survey and agreed to a 2,000 square kilometer reduction in the Sud Craiova license area, from 6,070 square kilometers to 4,070 square kilometers.

Morocco. The GRB-1 exploration well on the Asilah exploration permits in Morocco was non-commercial and will be plugged and abandoned. We drilled the TKN-1 exploration well on the Tselfat exploration permit, but the well failed to encounter the target formation and has been plugged and abandoned. We have determined to sell our existing interests in Morocco and transfer our drilling services equipment from Morocco to Turkey.

Drilling Services. We provide drilling and other oilfield services through our wholly owned subsidiary Viking International Limited ("Viking International"), and we provide seismic acquisition services through our wholly owned subsidiary Viking Geophysical Services, Ltd. ("Viking Geophysical"). As of June 30, 2011, we owned eleven drilling rigs and five workover and completion rigs in Turkey, and we owned two drilling rigs in Morocco, one of which is being transferred to Turkey. In addition, we managed one drilling rig in Turkey for Viking Drilling, LLC ("Viking Drilling") and one drilling rig in Iraq for Maritas A.Ş. ("Maritas") pursuant to management services agreements.

During the second quarter of 2011, Viking International and Viking Geophysical generated revenues of approximately $4.8 million and $0.1 million, respectively, from providing oilfield services and geophysical services to third parties in Turkey and Iraq.

On May 5, 2011, our board of directors formed a special committee, comprised of four independent directors, to evaluate strategic alternatives related to our drilling services business. The special committee is in the process of engaging independent experts to assist in its evaluation.

Planned 2011 Operations

We continue to actively explore and develop our existing oil and gas properties in Turkey and Bulgaria and evaluate opportunities for further activities in Romania. Our success will depend in part on discovering additional hydrocarbons in commercial quantities and then bringing these discoveries into production. For the remainder of 2011, we are focused on accomplishing the following objectives:

- *Increasing Production*. We plan to increase our oil and natural gas production in Turkey through the development of our recently acquired TBNG, Amity and Petrogas acreage, as well as through the development of our Selmo and Arpatepe oil fields. We anticipate that our planned completions and extensions of pipelines will also bring shut-in natural gas production to market. We anticipate that these initiatives, combined with the application of modern well stimulation techniques such as gelled acidizing and fracture stimulation and the expanded application of directional drilling, should benefit production.
- *Unlocking Unconventional Potential in the Thrace Basin*. We currently have an inventory of 50 re-entry well fracture stimulation ("frac") candidates on our TBNG licenses, three of which have been fracced. Our objective is to vary parameters around interval selection and frac design to achieve optimum results and then expand the program to provide new offset drilling locations.
- *Expanding our Existing Inventory of Exploration Opportunities*. In the Thrace Basin region of northwestern Turkey, we recently completed two additional 3D seismic surveys on an aggregate of 358 square kilometers on license 4861. Two additional 3D seismic surveys on an aggregate of 461 square kilometers are underway on the newly acquired Tekirdag and Hayrabolu licenses in the southern Thrace Basin. We anticipate that these surveys will significantly add to

our conventional shallow acreage opportunities and will define deeper unconventional tight gas opportunities on large structures that have already been identified. We have commenced a 100 square kilometer 3D seismic survey on our joint Amity/TPAO licenses, which should be completed by mid-September 2011. We believe that this survey will identify a number of development and exploration locations on those licenses. In southeastern Turkey, we are interpreting data from a recently acquired 2D seismic survey on the Adana/Yuksekkoy license and anticipate that this survey will identify shallow structural plays similar to those found in the Thrace Basin.

- *Securing Partners to Reduce Exploration Risk*. We are seeking strategic partners for our exploration acreage in Bulgaria, Romania and our large portfolio of Tertiary-aged basins in central Turkey. Through farmouts, we expect to accelerate development and mitigate exploration risk. In Romania, along with Sterling, we are seeking a partner to drill and test the Silurian shale potential on the Sud Craiova license. We have taken a strategic decision to divest our remaining interests in Morocco in order to focus on our core geographic areas. We have engaged FirstEnergy Capital LLP ("FirstEnergy") as our exclusive financial advisor for the sale of our interests in Morocco and to seek joint venture partners for the development of our exploration acreage in Bulgaria, Romania and central Turkey.
- *Integrating Acquisitions*. We completed the acquisition of TBNG on June 7, 2011, which brought additional acreage, production, personnel and equipment into our Turkey operations. We will continue the process of integrating TBNG, Amity, Petrogas and Direct Bulgaria into our operations.

For the remainder of 2011, we expect our capital expenditures for our exploration and production activities will be approximately $37.0 million. Our prior 2011 capital expenditure estimates did not take into account the benefit of using our own drilling services equipment. Approximately 50% of these anticipated expenditures will occur in the Thrace Basin in Turkey, devoted to developing conventional and unconventional natural gas production, building infrastructure and acquiring seismic data. Approximately 50% of these anticipated expenditures will occur in southeastern Turkey, devoted to developing oil production at Selmo and Arpatepe and drilling exploratory wells on various licenses. If cash on hand, borrowings from our amended and restated credit facility and cash flow from operations are not sufficient to fund our capital expenditures, we will either curtail our discretionary capital expenditures or seek other funding sources. Our projected 2011 capital budget is subject to change and could be reduced if we do not raise additional funds. We currently plan to execute the following drilling and exploration activities in 2011:

Turkey. We plan to drill approximately 34 gross wells during the remainder of 2011, including wells to be drilled on the recently acquired TBNG acreage. We also plan to construct the infrastructure necessary to produce and sell oil and natural gas from the productive wells we drill. Following the acquisition of TBNG, we have accelerated plans for exploration and development of TBNG's onshore acreage. We have identified 41 wells on the TBNG licenses with "behind pipe" production potential, and we are embarking on a recompletion program of these wells to increase production. We have commenced two 3D seismic surveys, one in the Tekirdag area and one in the Hayrabolu area. Our drilling program will continue to be based on our current drilling inventory of 2D seismic-based leads until an expanded drilling inventory is generated from the two 3D seismic surveys that are now being acquired on TBNG's acreage.

To optimize the ability to frac both the Osmancik and Mezardere formations, we have started a series of fracs using different testing parameters. Since June 30, 2011, three fracs have been conducted from an inventory of 50 re-entry frac candidates. These standing wellbores offer the opportunity to vary techniques from well to well to optimize the gross interval selected. Our objective is to establish the optimum template for TBNG acreage as well as our other licenses in the Thrace Basin. Our three recent re-entry fracs include:

- Bati Kazanci-3 was a test of tight sands within a known producing horizon. Following the frac treatment, the commercial test for the well was positive and the well is currently on an extended flow test.
- Bati Kazanci-4 was a new well completion that was drilled to target shallow conventional targets. We identified a zone of interest for tight gas potential and pumped a frac stimulation. We have concluded that the test is non-commercial but are encouraged by the pressure regime and the formation's response to fracture stimulation, and we are looking elsewhere on the structure for opportunities in the same formation.
- Yazir-2 is new concept for the region and is designed to test the Teslimkoy Mezardere formation, which is at the base on the conventional producing horizons of Thrace Basin. We are currently evaluating the results of the second stage of this frac.

We plan on fraccing one or more wellbores per week. Based upon results we may drill and frac offsetting locations to extend the play. To assess and optimize results of our unconventional work, we have engaged two firms with experience in unconventional natural gas plays in similar formations in the U.S. Our objective is to minimize the early learning curve that is typical of most unconventional plays.

At Selmo we are drilling S-78 well, which is the eighth well drilled in 2011. We have initiated completion activities on three wells on our first multi-well drilling pad. The use of multi-well pads and directionally drilled holes has been successful in expediting the rigline at Selmo by reducing landowner issues which previously limited access to some of our drilling locations. The next multi-well pad is adjacent to the successful S-71 well drilled earlier this year, which is still producing approximately 230 Bbls per day.

Morocco. On our Tselfat exploration permit, the HR-33 bis well is on an extended production test. We are constructing wellsites to facilitate the drilling of two additional exploration wells to a depth of at least 1,500 meters on the Tselfat exploration permit by July 2012. We intend to sell our existing interests in Morocco and transfer our drilling services equipment from Morocco to Turkey.

Bulgaria. Direct Bulgaria is in the process of obtaining the Koynare production concession over the northern 647 square kilometers (approximately 160,000 acres) of the A-Lovech license, based upon a conventional discovery in the Jurassic-aged Orzirovo formation.

Romania. We are seeking a farmout partner to drill an exploration well to test the Silurian-aged shale formations present on the Sud Craiova license. We and Sterling have engaged FirstEnergy to assist us in this effort.

Drilling Services Business. We plan to increase drilling services revenues by providing drilling services and seismic acquisition services to third parties in Turkey and northern Iraq.

Significant Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of these consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosures. Our significant accounting policies are described in Notes 3 and 4 to our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2010 and are of particular importance to the portrayal of our financial position and results of operations and require the application of significant judgment by management. These estimates are based on historical experience, information received from third parties, and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. There have been no changes to the significant accounting policies disclosed in our Annual Report on Form 10-K for the year ended December 31, 2010.

Recent Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2010-06, *Improving Disclosures about Fair Value Measurements* ("ASU 2010-06"). The update provides amendments to Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures* ("ASC 820") that require more robust disclosures about: (1) the different classes of assets and liabilities measured at fair value, (2) the valuation techniques and inputs used, (3) the activity in Level 3 fair value measurements, and (4) the transfers between Levels 1, 2, and 3. The new disclosures and clarifications of existing disclosures are effective for interim and annual reporting periods beginning after December 15, 2009. Disclosures about purchases, sales, issuances and settlements in the roll forward of activity in Level 3 fair value measurements are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The adoption of ASU 2010-06 did not have a material impact on our financial statements.

In December 2010, FASB issued ASU No. 2010-28 *Intangibles—Goodwill and Other (Topic 350): When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts* ("ASU 2010-28"). ASU 2010-28 modifies Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts. For those reporting units, an entity is required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. In determining whether it is more likely than not that a goodwill impairment exists, an entity should consider whether there are any adverse qualitative factors indicating that an impairment may exist. The update is effective for interim and annual reporting periods beginning after December 15, 2010. This update will be considered on an interim and annual basis when we review and perform our goodwill impairment test.

In December 2010, FASB issued ASU No. 2010-29 *Business Combinations (Topic 805): Disclosure of Supplementary Pro Forma Information for Business Combinations* ("ASU 2010-29"). ASU 2010-29 specifies that if a public entity presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. The update also expands the supplemental pro forma disclosures under ASC Topic 805 to include a description of the nature and amount of material, nonrecurring pro forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings. The update is effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010. The adoption of ASU 2010-29 did not have a material impact on our financial statements.

In May 2011, FASB issued ASU 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs* ("ASU 2011-04"). ASU 2011-04 amends ASC 820, providing a consistent definition and measurement of fair value, as well as similar disclosure requirements between U.S. GAAP and International Financial Reporting Standards. ASU 2011-04 changes certain fair value measurement principles, clarifies the application of existing fair value measurement and expands the ASC 820 disclosure requirements, particularly for Level 3 fair value measurements. ASU 2011-04 will be effective for interim and annual periods beginning after December 15, 2011. The adoption of ASU 2011-04 is not expected to have a material effect on our condensed consolidated financial statements, but may require certain additional disclosures.

In June 2011, FASB issued ASU 2011-05, *Presentation of Comprehensive Income* ("ASU 2011-05"). ASU 2011-05 requires the presentation of comprehensive income in either (1) a continuous statement of comprehensive income or (2) two separate but consecutive statements. ASU 2011-05 will be effective fiscal years, and interim periods within those years, beginning after December 15, 2011. The adoption of ASU 2011-05 is not expected to have a material effect on our condensed consolidated financial statements, but may require a change in the presentation of our comprehensive income from the notes of the condensed consolidated financial statements, where it is currently disclosed, to the face of the condensed consolidated financial statements.

We have reviewed other recently issued, but not yet adopted, accounting standards in order to determine their effects, if any, on our consolidated results of operations, financial position and cash flows. Based on that review, we believe that none of these pronouncements will have a significant effect on our current or future earnings or operations.

Results of Operations—Three Months Ended June 30, 2011 Compared to Three Months Ended June 30, 2010

	Three Months Ended June 30,		Change
	2011	2010	2011-2010
	(in thousands of U.S. dollars, except per unit prices and production volumes)		
Production:			
Oil (Mbbl)	219	170	49
Natural gas (Mmcf)	862	355	507
Total production (Mboe)	362	229	133
Average prices:			
Oil (per Bbl)	$ 109.28	$ 72.85	$ 36.43
Natural gas (per Mcf)	$ 7.34	$ 7.30	$ 0.04
Oil equivalent (per Boe)	$ 84.96	$ 69.15	$ 15.81
Revenues:			
Oil and natural gas sales	30,755	15,836	14,919
Oilfield services	4,754	2,768	1,986
Total revenues	35,509	18,604	16,905
Costs and expenses:			
Production	4,156	4,697	(541)
Exploration, abandonment and impairment	4,463	4,149	314
Seismic and other exploration	939	2,273	(1,334)
Oilfield services costs	5,725	1,701	4,024
Revaluation of contingent consideration	1,250	—	1,250
General and administrative	10,246	6,774	3,472
Depreciation, depletion and amortization	12,797	4,243	8,554
Interest and other expense	3,695	654	3,041

	Three Months Ended June 30,		Change
	2011	2010	2011-2010
	(in thousands of U.S. dollars, except per unit prices and production volumes)		
Gain (loss) on commodity derivative contracts:			
Cash settlements on commodity derivative contracts	(1,890)	—	(1,890)
Non-cash change in fair value on commodity derivative contracts	2,044	3,034	(990)
Total gain (loss) on commodity derivative contracts	154	3,034	(2,880)

Revenue. Total oil and natural gas revenues increased $14.9 million to $30.8 million for the three months ended June 30, 2011 from $15.8 million realized in the same period in 2010. Of this increase, $5.7 million was attributable to the increase in our average prices received. For the three months ended June 30, 2011, our average price was $84.96 per Boe, compared to $69.15 per Boe for the same period in 2010. The remaining $9.2 million was due to an increase in our total production volumes of 133 Mboe for the three months ended June 30, 2011 compared to the same period in 2010. Production volumes increased primarily due to the acquisitions of Amity and Petrogas in August 2010, Direct Bulgaria in February 2011 and TBNG in June 2011, accounting for approximately 102 Mboe of the increase.

Oilfield Services Revenue. Oilfield services revenues increased approximately $2.0 million for the three months ended June 30, 2011 to $4.8 million, compared to $2.8 million during the same period in 2010. The increase was the result of an increase in oilfield drilling services provided to third parties for the three months ended June 30, 2011.

Production. Production expenses for the three months ended June 30, 2011 decreased to $4.2 million from $4.7 million for the same period in 2010. The decrease was primarily attributable to an increase in the utilization of our drilling services business to provide these services.

Exploration, Abandonment and Impairment. Exploration, abandonment and impairment costs for the three months ended June 30, 2011 remained consistent, at approximately $4.5 million, from $4.1 million for the same period in 2010.

Seismic and Other Exploration. Seismic and other exploration costs decreased to $0.9 million for the three months ended June 30, 2011 compared to $2.3 million for the same period in 2010. This decrease was due primarily to a decrease in the utilization of third parties to provide our seismic services. As we are increasingly using Viking Geophysical to provide these services, an increase in expenses has been eliminated upon consolidation.

Oilfield Services Costs. Oilfield services costs increased to $5.7 million for the three months ended June 30, 2011 compared to $1.7 million for the same period in 2010. This increase was due primarily to the overall increase in our oilfield services business.

Revaluation of Contingent Consideration. During the second quarter of 2011, we determined that there is an increase in the likelihood that we may not be able to complete one of our drilling obligations required as part of the Direct acquisition in February 2011. Therefore, we have increased our costs and expenses to record $1.3 million in the three months ended June 30, 2011 to reflect our potential future costs.

General and Administrative. General and administrative expense was $10.2 million for the three months ended June 30, 2011 compared to $6.8 million for the same period in 2010. The increase was due to an increase in consulting and professional service fees, primarily related to the late filings of our Annual Report on Form 10-K for the year ended December 31, 2010 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, as well as the overall expansion of our business in 2011.

Depreciation, Depletion and Amortization. Depreciation, depletion and amortization increased approximately $8.6 million to $12.8 million for the three months ended June 30, 2011 compared to $4.2 million in the same period of 2010. The increase was primarily due to the increase in our production, as well as an increase in our depreciable asset base.

Interest and Other Expense. Interest and other expense increased to $3.7 million for the three months ended June 30, 2011, compared to $0.7 million for the same period in 2010. The increase was primarily due to an increase in our outstanding debt. At June 30, 2011, our total outstanding debt was approximately $161.3 million, compared to $80.1 million at June 30, 2010.

Gain (Loss) on Commodity Derivative Contracts. During the three months ended June 30, 2011, we recorded a gain on commodity derivative contracts of approximately $0.1 million compared to a gain of $3.0 million for the same period in 2010. We recorded a $2.0 million unrealized gain and a $1.9 million realized loss on our derivative contracts for the three months ended June 30, 2011, compared to a $3.0 million unrealized gain for the three months ended June 30, 2010. Unrealized gains and losses are attributable to changes in oil and natural gas prices and volumes hedged from one period end to another. We are required under our amended and restated credit facility with Standard Bank and BNP Paribas to hedge a portion of our oil production in the Selmo and Arpatepe oil fields in Turkey.

Other Comprehensive Loss. We record foreign currency translation adjustments from the process of translating the functional currency of the financial statements of our foreign subsidiaries into the U.S. Dollar reporting currency. Foreign currency translation adjustment for the three months ended June 30, 2011 changed to a loss of $12.5 million from a loss of $5.5 million for the same period in 2010 due to the strengthening of the U.S. Dollar compared to the foreign currencies of the other countries in which we operate.

Discontinued Operations. In June 2011, we announced that we would sell our existing interests in Morocco and transfer our drilling services equipment from Morocco to Turkey. All revenues and expenses associated with the Moroccan operations for the three months ended June 30, 2011 and 2010 have been included in discontinued operations.

The results of operations for our Moroccan operations are as follows:

	Three Months Ended June 30,	
	2011	2010
	(in thousands)	
Revenues:		
Oil and natural gas sales	$ 139	$ —
Costs and expenses:		
Production	1,249	—
Exploration, abandonment and impairment	9,100	9,167
Seismic and other exploration	—	55
Oilfield services costs	10	1,441
General and administrative	139	260
Depreciation, depletion and amortization	1,192	923
Accretion	1	—
Total costs and expenses	11,691	11,846
Operating loss	(11,552)	(11,846)
Other (expense) income:		
Interest and other expense	(42)	—
Interest and other income	—	21
Foreign exchange gain (loss)	(54)	—
Total costs and expenses	(96)	21
Loss from discontinued operations	(11,648)	(11,825)

Results of Operations—Six Months Ended June 30, 2011 Compared to Six Months Ended June 30, 2010

	Six Months Ended June 30,		Change
	2011	2010	2011-2010
	(in thousands of U.S. dollars, except per unit prices and production volumes)		
Production:			
Oil (Mbbl)	438	317	121
Natural gas (Mmcf)	1,673	356	1,317
Total production (Mboe)	717	376	341

	Six Months Ended June 30,		Change
	2011	2010	2011-2010
	(in thousands of U.S. dollars, except per unit prices and production volumes)		
Average prices:			
Oil (per Bbl)	$ 108.74	$ 75.42	$ 33.32
Natural gas (per Mcf)	$ 7.31	$ 7.30	$ 0.01
Oil equivalent (per Boe)	$ 82.89	$ 72.22	$ 10.67
Revenues:			
Oil and natural gas sales	59,431	27,153	32,278
Oilfield services	8,274	3,843	4,431
Total revenues	67,705	30,996	36,709
Costs and expenses:			
Production	8,258	8,886	(628)
Exploration, abandonment and impairment	11,695	8,422	3,273
Seismic and other exploration	2,428	2,668	(240)
Oilfield services costs	10,786	4,416	6,370
Revaluation of contingent consideration	1,250	—	1,250
General and administrative	20,502	12,553	7,949
Depreciation, depletion and amortization	21,088	7,232	13,856
Interest and other expense	7,471	1,180	6,291
Gain (loss) on commodity derivative contracts:			
Cash settlements on commodity derivative contracts	(2,612)	—	(2,612)
Non-cash change in fair value on commodity derivative contracts	(6,545)	3,637	(10,182)
Total gain (loss) on commodity derivative contracts	(9,157)	3,637	(12,794)

Revenue. Total oil and natural gas sales increased $32.3 million to $59.4 million for the six months ended June 30, 2011 from $27.2 million realized in the same period in 2010. Of this increase, $7.7 million was the result of an increase in the average prices received and $24.6 million was the result of an increase in our production volumes of 341 Mboe for the six months ended June 30, 2011, compared to the same period in 2010. Our average price for the six months ended June 30, 2011 was $82.89 per Boe, compared to $72.22 per Boe for the six months ended June 30, 2010. Production volumes increased primarily due to the acquisitions of Amity and Petrogas in August 2010, Direct Bulgaria in February 2011 and TBNG in June 2011, accounting for approximately 196 Mboe of the increase. The remaining increased production volumes were primarily attributable to increased production in the Selmo oil field and from an entire six months worth of production from our Edirne licenses. Edirne began production in April 2010.

Oilfield Services Revenues. Oilfield services revenues increased approximately $4.4 million for the six months ended June 30, 2011, to $8.2 million compared to $3.8 million during the same period in 2010. The increase was the result of an increase in oilfield drilling services provided to third parties for the six months ended June 30, 2011.

Production. Production expenses for the six months ended June 30, 2011 decreased approximately $0.6 million to $8.3 million from $8.9 million, for the same period in 2010. The decrease was primarily attributable to the increase in the utilization of our drilling services business to provide these services.

Exploration, Abandonment and Impairment. Exploration, abandonment and impairment costs for the six months ended June 30, 2011 increased to $11.7 million from $8.4 million for the same period in 2010. The increase was primarily due to dry hole expense in Turkey.

Seismic and Other Exploration. Seismic and other exploration costs decreased to $2.4 million for the six months ended June 30, 2011 compared to $2.7 million for the same period in 2010. This decrease was due primarily to a decrease in the utilization of third parties to provide our seismic services. As we are increasingly using Viking Geophysical to provide these services, an increase in expenses has been eliminated upon consolidation.

Oilfield Services Costs. Oilfield services costs increased approximately $6.4 million to $10.8 million for the six months ended June 30, 2011 compared to $4.4 million for the same period in 2010. This increase was due primarily to the overall increase in our oilfield services business.

Revaluation of Contingent Consideration. During the second quarter of 2011, we determined that there is an increase in the likelihood we may not be able to complete one of our drilling obligations required as part of the Direct acquisition in February 2011. Therefore, we have increased our costs and expenses to record $1.3 million in the six months ended June 30, 2011 to reflect our potential future costs.

General and Administrative. General and administrative expenses were $20.5 million for the six months ended June 30, 2011 compared to $12.6 million for the same period in 2010. The increase was due to an increase in consulting and professional service fees, primarily related to the late filings of our Annual Report on Form 10-K for the year ended December 31, 2010 and our Quarterly Report on Form 10-Q for the three months ended March 31, 2011, as well as the overall expansion of our business in 2011.

Depreciation, Depletion and Amortization. Depreciation, depletion and amortization increased to $21.1 million for the six months ended June 30, 2011 compared to $7.2 million in the same period of 2010. The increase was primarily due to the increase in our production, as well as an increase in our depreciable asset base.

Interest and Other Expense. Interest and other expense increased to $7.5 million for the six months ended June 30, 2011 compared to $1.2 million for the same period in 2010. The increase was primarily due to the increase in our outstanding debt. At June 30, 2011, our total outstanding debt was approximately $161.3 million, compared to $80.1 million at June 30, 2010.

Gain (Loss) on Commodity Derivative Contracts. During the six months ended June 30, 2011, we recorded a loss of $9.2 million compared to a gain of $3.6 million for the same period in 2010. We recorded a $6.5 million unrealized loss and a $2.7 million realized loss on our derivative contracts for the six months ended June 30, 2011, compared to a $3.6 million unrealized gain for the six months ended June 30, 2010. Unrealized gains and losses are attributable to changes in oil and natural gas prices and volumes hedged from one period end to another. We are required under our amended and restated credit facility with Standard Bank and BNP Paribas to hedge a portion of our oil production in the Selmo and Arpatepe oil fields in Turkey.

Other Comprehensive Loss. We record foreign currency translation adjustments from the process of translating the functional currency of the financial statements of our foreign subsidiaries into the U.S. Dollar reporting currency. Foreign currency translation adjustment for the six months ended June 30, 2011 changed to a loss of $10.2 million from a loss of $7.5 million for the same period in 2010 due to a strengthening of the U.S. Dollar compared to the foreign currencies of the other countries in which we operate.

Discontinued Operations. In June 2011, we announced that we would sell our existing interests in Morocco and transfer our drilling services equipment from Morocco to Turkey. All revenues and expenses associated with the Moroccan operations for the six months ended June 30, 2011 and 2010 have been included in discontinued operations.

The results of operations for our Morocco operations are as follows:

	Six Months Ended June 30,	
	2011	2010
	(in thousands)	
Revenues:		
Oil and natural gas sales	$ 187	$ —
Costs and expenses:		
Production	1,254	9
Exploration, abandonment and impairment	11,666	9,377
Seismic and other exploration	27	79
Oilfield services costs	474	2,442
General and administrative	244	481
Depreciation, depletion and amortization	2,248	1,904
Accretion	1	—
Total costs and expenses	15,914	14,292
Operating loss	(15,727)	(14,292)
Other (expense) income:		
Interest and other expense	(116)	—
Interest and other income	—	5
Foreign exchange gain (loss)	(55)	—
Total costs and expenses	(171)	5
Loss from discontinued operations	(15,898)	(14,287)

Capital Expenditures

For the six months ended June 30, 2011, we incurred $35.2 million in capital expenditures from continuing operations compared to capital expenditures of $53.0 million from continuing operations for the six months ended June 30, 2010. The decrease in capital expenditures was primarily due to 2010 being a capital intensive year, as we began purchasing fracture stimulation equipment.

For the remainder of 2011, we expect our capital expenditures for our exploration and production activities will be approximately $37.0 million. Our prior 2011 capital expenditure estimates did not take into account the benefit of using our own drilling services equipment. Approximately 50% of these anticipated expenditures will occur in the Thrace Basin in Turkey, devoted to developing conventional and unconventional natural gas production, building infrastructure and acquiring seismic data. Approximately 50% of these anticipated expenditures will occur in southeastern Turkey, devoted to developing oil production at Selmo and Arpatepe and drilling exploratory wells on various licenses. If cash on hand, borrowings from our amended and restated credit facility and cash flow from operations are not sufficient to fund our capital expenditures, we will either curtail our discretionary capital expenditures or seek other funding sources. Our projected 2011 capital budget is subject to change and could be reduced if we do not raise additional funds.

Liquidity and Capital Resources

Our primary sources of liquidity for the second quarter of 2011 were cash and cash equivalents, cash flow from operations and borrowings under our various debt agreements. At June 30, 2011, we had cash and cash equivalents of $26.3 million, $93.0 million in short-term debt, $68.4 million in long-term debt and a working capital deficit of $50.4 million compared to cash and cash equivalents of $34.7 million, $106.7 million in short-term debt, $30.1 million in long-term debt and a working capital deficit of $60.2 million at December 31, 2010. Cash provided by operating activities from continuing operations for the six months ended June 30, 2011 increased to $24.7 million compared to cash used in operating activities from continuing operations of $23.1 million for the six months ended June 30, 2010, primarily as a result of an increase in revenues and better cash management.

As of June 30, 2011, the outstanding principal amount of our debt was $161.3 million. Of this amount, $73.0 million under the Dalea credit agreement is due December 31, 2011. We forecast that we will need to either extend the maturity date of the Dalea credit agreement or raise additional debt or equity financing to fund our repayment of the Dalea credit agreement and fund our operations, including our planned exploration and development activities. To obtain these funds, we are considering the issuance of common shares, public debt, private debt or the sale of assets. However, there is no assurance that our forecasts will prove to be accurate or that our efforts to raise additional debt or equity financing or consummate the sale of assets will prove to be successful. Should we be unable to raise additional financing, we may not have sufficient funds to continue operations beyond December 31, 2011. As a result, there is significant doubt regarding our ability to continue as a going concern. The continuing application of the going concern assumption is dependent upon our continuing ability to obtain the necessary financing to discharge our existing obligations, carry out our exploration and development programs, fund ongoing operations and ultimately achieve profitable operations. The inability to secure additional funding when and as needed could have a material adverse effect on our operations and financial condition.

In addition to cash, cash equivalents and cash flow from operations, at June 30, 2011, we had an amended and restated credit facility, a credit agreement with Dalea, a term note with Viking Drilling, an equipment loan with a Turkish bank and a credit agreement with a Turkish bank, each of which is discussed below.

Amended and Restated Senior Secured Credit Facility. On May 18, 2011, DMLP, TEMI, Talon Exploration, TAT and Petrogas entered into the amended and restated credit facility with Standard Bank and BNP Paribas. Each of the Borrowers are a wholly owned subsidiaries. In July 2011, Amity executed a joinder agreement and became a Borrower under the amended and restated credit facility. The amended and restated credit facility is guaranteed by us and each of TransAtlantic Petroleum (USA) Corp. and TransAtlantic Worldwide (collectively, the "Guarantors").

On May 24, 2011, we used a portion of the amounts borrowed under the amended and restated credit facility to repay the $30.0 million short-term secured credit agreement, dated as of August 25, 2010, between TransAtlantic Worldwide and Standard Bank, which was scheduled to mature on May 25, 2011. We plan to use the remainder of the amounts borrowed under the amended and restated credit facility to finance a portion of the development of our oil and gas properties in Turkey and for working capital purposes in Turkey.

The amount drawn under the amended and restated credit facility may not exceed the lesser of (i) $250.0 million, (ii) the borrowing base amount at such time, (iii) the aggregate commitments of all lenders at such time, and (iv) any amount borrowed from an individual lender to the extent it exceeds the aggregate amount of such lender's individual commitment. At August 5, 2011, the lenders had aggregate commitments of $120.0 million, with individual commitments of $60.0 million each. On the last day of each fiscal quarter commencing September 30, 2012 and at the maturity date, the lenders' commitments are subject to reduction by 6.25% of their commitments existing on such commitment reduction date.

The borrowing base amount under the amended and restated credit facility was increased to $95.0 million following the joinder of Amity as a borrower. The borrowing base is re-determined semi-annually on April 1st and October 1st of each year prior to September 30, 2012 and quarterly on January 1st, April 1st, July 1st and October 1st of each year after September 30, 2012. The borrowing base amount equals, for any calculation date, the lowest of:

- the debt value which results in the field life coverage ratio for such calculation date being 1.50 to 1.00;
- the debt value which results in the loan life coverage ratio for such calculation date being 1.30 to 1.00; and
- the debt value which results in a debt service coverage ratio for any calculation period being 1.25 to 1.00.

The field life coverage ratio means, for any calculation date, the ratio of (i) the net present value of cash flow available for debt service from the calculation date until the last abandonment date, to (ii) the aggregate outstanding principal amount of the loans, plus the aggregate undrawn maximum face amount of letters of credit, plus the aggregate unpaid drawings on such calculation date, minus the aggregate credit balance of the cash collateral account on such calculation date. The loan life coverage ratio means, for any calculation date, the ratio of (i) the net present value of the cash flow available for debt service from the calculation date until the maturity date, to (ii) the aggregate principal amount of the loans, plus the aggregate undrawn maximum face amount of letters of credit, plus the aggregate unpaid drawings on such calculation date, minus the aggregate credit balance of the cash collateral account on such calculation date. The debt service coverage ratio means, for any calculation date, the ratio of (i) the cash flow available for debt service for such calculation period, to (ii) the aggregate amount of all principal, interest and fees due and payable under the loan documents during such calculation period.

The amended and restated credit facility matures on the earlier of (i) May 18, 2016 or (ii) the last date of the borrowing base calculation period that immediately precedes the date that the semi-annual report of Standard Bank and the Borrowers determines that the aggregate amount of hydrocarbons to be produced from the borrowing base assets in Turkey are less than 25% of the amount of hydrocarbons to be produced from the borrowing base assets shown in the initial report prepared by Standard Bank and the Borrowers. The amended and restated credit facility bears various letter of credit sub-limits, including among other things, sub-limits of up to (i) $10.0 million, (ii) the aggregate available unused and uncancelled portion of the lenders' commitments or (iii) any amount borrowed from an individual lender to the extent it exceeds the aggregate amount of such lender's individual commitment.

Loans under the amended and restated credit facility accrue interest at a rate of three-month LIBOR plus 5.50% per annum. The Borrowers are also required to pay (i) a commitment fee payable quarterly in arrears at a per annum rate equal to (a) 2.75% per annum of the unused and uncancelled portion of the aggregate commitments that is less than or equal to the maximum available amount under the amended and restated credit facility, and (b) 1.65% per annum of the unused and uncancelled portion of the aggregate commitments that exceed the maximum available amount under the amended and restated credit facility, (ii) on the date of issuance of any letter of credit, a fronting fee in an amount equal to 0.25% of the original maximum amount to be drawn under such letter of credit and (iii) a per annum letter of credit fee for each letter of credit issued equal to the face amount of such letter of credit multiplied by (a) 1.0% for any letter of credit that is cash collateralized or backed by a standby letter of credit issued by a financial institution acceptable to Standard Bank or (b) 5.50% for all other letters of credit.

The amended and restated credit facility is secured by a pledge of (i) the local collection accounts and offshore collection accounts of each of the Borrowers, (ii) the receivables payable to each of the Borrowers, (iii) the shares of each Borrower, (iv) the hydrocarbon licenses owned by the Borrowers in Turkey and (v) substantially all of the present and future assets of the Borrowers.

The Borrowers are required to maintain certain ratios under the amended and restated credit facility's financial covenants during the four most recently completed fiscal quarters occurring on or after March 31, 2011. These financial covenants require each of the Borrowers to maintain a:

- ratio of combined current assets to combined current liabilities of not less than 1.10 to 1.00;
- ratio of EBITDAX (less non-discretionary capital expenditures) to aggregate amounts payable under the amended and restated credit facility of not less than 1.50 to 1.00;
- ratio of EBITDAX (less non-discretionary capital expenditures) to interest expense of not less than 4.00 to 1.00; and

- ratio of total debt to EBITDAX of less than 2.50 to 1.00.

The amended and restated credit facility defines EBITDAX as net income (excluding extraordinary items) plus, to the extent deducted in calculating such net income, (i) interest expense (excluding interest paid-in-kind, or non cash interest expense and interest incurred on certain subordinated intercompany debt or interest on equity recapitalized into subordinated debt), (ii) income tax expense, (iii) depreciation, depletion and amortization expense, (iv) amortization of intangibles and organization costs, (v) any extraordinary, unusual or non-recurring non-cash expenses or losses, (vi) expenses incurred in connection with oil and gas exploration activities entered into in the ordinary course of business (including related drilling, completion, geological and geophysical costs), (vii) transaction costs, expenses and fees incurred in connection with the negotiation, execution and delivery of the amended and restated credit facility and the related loan documents, and (vii) any other non-cash charges (including dry hole expenses and seismic expenses, to the extent such expenses would be capitalized), minus, to the extent included in calculating net income, (a) any extraordinary, unusual or non-recurring income or gains (including, gains on the sales of assets outside of the ordinary course of business) and (b) any other non-cash income or gains.

Pursuant to the terms of the amended and restated credit facility, until amounts under the amended and restated credit facility are repaid, each of the Borrowers shall not, and shall cause each of its subsidiaries not to, in each case subject to certain exceptions (i) incur indebtedness or create any liens, (ii) enter into any agreements that prohibit the ability of any Borrower or its subsidiaries to create any liens, (iii) enter into any merger, consolidation or amalgamation, liquidate or dissolve, (iv) dispose of any property or business, (v) pay any dividends, distributions or similar payments to shareholders, (vi) make certain types of investments, (vii) enter into any transactions with an affiliate, (viii) enter into a sale and leaseback arrangement, (ix) engage in any business or business activity, own any assets or assume any liabilities or obligations except as necessary in connection with, or reasonably related to, its business as an oil and gas exploration and production company or operate or carry on business in any jurisdiction outside of Turkey or its jurisdiction of formation, (x) change its organizational documents, (xi) permit its fiscal year to end on a day other than December 31st or change its method of determining fiscal quarters, or alter the accounting principles it uses, (xii) modify certain hydrocarbon licenses and agreements or material contracts, (xiii) enter into any hedge agreement for speculative purposes or (xiv) open or maintain new deposit, securities or commodity accounts.

An event of default under the amended and restated credit facility includes, among other events, failure to pay principal or interest when due, breach of certain covenants and obligations, cross default to other indebtedness, bankruptcy or insolvency, failure to meet the required financial covenant ratios and the occurrence of a material adverse effect. In addition, the occurrence of a change of control is an event of default. A change of control is defined as the occurrence of any of the following: (i) our failure to own, of record and beneficially, all of the equity of the Borrowers or any Guarantor or to exercise, directly or indirectly, day-to-day management and operational control of any Borrower or Guarantor; (ii) the failure by the Borrowers to own or hold, directly or indirectly, all of the interests granted to Borrowers pursuant to certain hydrocarbon licenses designated in the amended and restated credit facility; or (iii) (a) Mr. Mitchell ceases for any reason to be the executive chairman of our board of directors at any time, (b) Mr. Mitchell and certain of his affiliates cease to own of record and beneficially at least 35% of our common shares; or (c) any person or group, excluding Mr. Mitchell and certain of his affiliates, shall become, or obtain rights to become, the beneficial owner, directly or indirectly, of more than 35% of our outstanding common shares entitled to vote for members of our board of directors on a fully-diluted basis. Provided that, if Mr. Mitchell ceases to be executive chairman of our board of directors by reason of his death or disability, such event shall not constitute an event of default unless we have not appointed a successor reasonably acceptable to the lenders within 60 days of the occurrence of such event.

If an event of default shall occur and be continuing, all loans under the amended and restated credit facility will bear an additional interest rate of 2.00% per annum. In the case of an event of default upon bankruptcy or insolvency, all amounts payable under the amended and restated credit facility become immediately due and payable. In the case of any other event of default, all amounts due under the amended and restated credit facility may be accelerated by the lenders or the administrative agent. Borrowers have certain rights to cure an event of default arising from a violation of the fixed charge coverage ratio or the interest coverage ratio by obtaining cash equity or loans from us.

At August 5, 2011, the Borrowers had borrowed $72.5 million under the amended and restated credit facility and had availability of $22.5 million under the amended and restated credit facility.

Short-Term Secured Credit Agreement. On August 25, 2010, TransAtlantic Worldwide entered into a short-term secured credit agreement with Standard Bank, pursuant to which TransAtlantic Worldwide borrowed $30.0 million from Standard Bank. The short-term secured credit agreement was guaranteed by us and by each of TransAtlantic Petroleum (USA) Corp., Amity and Petrogas. TransAtlantic Worldwide used the proceeds of the short-term secured credit agreement to finance a portion of the purchase price for the shares of Amity and Petrogas.

Borrowings under the short-term secured credit agreement accrued interest at a rate of LIBOR plus the applicable margin. The applicable margin equaled 3.75% for interest that accrued before November 23, 2010, 4.00% for interest that accrued on or after November 23, 2010 and before February 20, 2011, and 4.25% for interest that accrued on or after February 20, 2011 and before

May 25, 2011. In addition, TransAtlantic Worldwide paid an arrangement fee of $750,000. The short-term secured credit agreement was scheduled to mature on May 25, 2011. TransAtlantic Worldwide repaid the loan in full on May 24, 2011, at which time the short-term secured credit agreement was terminated.

Dalea Credit Agreement. On June 28, 2010, we entered into a credit agreement with Dalea. The purpose of the Dalea credit agreement was (i) to fund the acquisition of all of the shares of Amity and Petrogas, and (ii) for general corporate purposes. On May 18, 2011, we entered into a first amendment to the credit agreement with Dalea to extend the maturity date and increase the interest rate to match the interest rate payable under our amended and restated credit facility with Standard Bank and BNP Paribas.

Pursuant to the Dalea credit agreement, as amended, the aggregate unpaid principal balance, together with all accrued but unpaid interest and other costs, expenses or charges payable under the Dalea credit agreement are due and payable by us upon the earlier of (i) December 31, 2011, or (ii) the occurrence of an event of default and a demand for payment by Dalea. Events of default include, but are not limited to, payment defaults, defaults in the performance of any terms, covenants or conditions of the Dalea credit agreement or collateral documents, material misrepresentations by us or any subsidiary, we or any subsidiary ceases or threatens to cease to carry on business, the prohibition in trading in our shares or the suspension or delisting of our common shares from any stock exchange, any material adverse change occurs in us or any of our subsidiaries, Dalea believes in good faith that our ability to pay or perform any of the covenants contained in the Dalea credit agreement is materially impaired, our insolvency or the insolvency of any subsidiary, or a change in control of the Company. A change of control is defined as the change of ownership of, or control or direction over, directly or indirectly, 20% or more of our outstanding voting securities. If an event of default occurs and is continuing, Dalea may demand immediate payment of all monies owing under the Dalea credit agreement; provided, that with respect to certain specified events of default, all monies due under the Dalea credit agreement shall automatically become due and payable without any demand or any other action by Dalea or any other person.

Amounts due under the credit agreement accrue interest at a rate of three-month LIBOR plus 5.50% per annum beginning on May 1, 2011, to be adjusted monthly on the first day of each month. Prior to May 1, 2011, amounts due under the credit agreement accrued interest at a rate of three-month LIBOR plus 2.50% per annum. In addition, we are required to pay all accrued interest in arrears on the last day of each month until the date of repayment and at any time that the principal balance is due and payable. We may prepay the amounts due under the credit agreement at any time before maturity without penalty.

The credit agreement contains certain covenants that limit our ability to, among other things, (i) make, give, create or permit or attempt to make, give or create any mortgage, charge, lien or encumbrance over any of our assets or any subsidiary's assets (subject to certain specified exceptions), (ii) change our name or jurisdiction of organization, (iii) declare or provide for any dividends or other similar payments, (iv) redeem or repurchase any of our shares, (v) make or permit the sale of, or disposition of, any substantial or material part of our business, assets or undertaking or that of any subsidiary, (vi) borrow or cause any subsidiary to borrow money from any person (subject to certain specified exceptions) without obtaining and delivering a duly signed assignment and postponement of claim by such person in form and terms satisfactory to Dalea, (vii) pay out or permit the payment of any shareholder loans or other indebtedness to non-arm's length parties by us or any subsidiary, or (viii) guarantee or permit the guarantee of the obligations of any other person by us or any subsidiary except in the ordinary course of business. In addition, any proceeds received by us or any subsidiary from any debt financings (subject to certain specified exceptions) must be used to repay amounts outstanding under the credit agreement, net of reasonable transaction and financing costs. We (or any subsidiary) are also required to repay amounts outstanding under the credit agreement from (i) any proceeds of any equity issuance received from Mr. Mitchell, his immediate family or any entities owned or controlled by Mr. Mitchell or his immediate family (collectively, the "Mitchell Family"), and (ii) all proceeds of any equity issuance in excess of $75.0 million (excluding any proceeds received from the Mitchell Family), net of reasonable transaction costs. Amounts repaid under the credit agreement cannot be reborrowed. We were required to pay for Dalea's reasonable legal fees and other expenses incidental to the completion of the credit agreement.

Under the terms of the credit agreement, we were required to issue Dalea 100,000 common share purchase warrants for each $1.0 million in principal amount advanced under the credit agreement. We borrowed an aggregate of $73.0 million under the credit agreement, and on September 1, 2010, we issued 7.3 million common share purchase warrants to Dalea. The common share purchase warrants are exercisable until September 1, 2013 and have an exercise price of $6.00 per share.

At August 5, 2011, we had borrowed $73.0 million under the Dalea credit agreement. No further borrowings are permitted under the Dalea credit agreement.

Viking Drilling Note. On July 27, 2009, Viking International purchased the I-13 drilling rig and associated equipment from Viking Drilling. Dalea owns 85% of Viking Drilling. Viking International paid $1.5 million in cash for the drilling rig and entered into a note payable with Viking Drilling in the amount of $5.9 million. The note was due and payable on August 1, 2010, bore interest at a fixed rate of 10% per annum and was secured by the drilling rig and associated equipment. We paid interest on the note on November 1, 2009 and February 1, 2010. On February 19, 2010, Viking International purchased the I-14 drilling rig and associated equipment from Viking Drilling and entered into an amended and restated note payable to Viking Drilling in the amount of $11.8 million, which was comprised of $5.9 million payable related to the I-14 drilling rig and $5.9 million payable related to the purchase

of the I-13 drilling rig. Under the terms of the amended and restated note, interest is payable monthly at a floating rate of LIBOR plus 6.25%, and the amended and restated note is due and payable August 1, 2012. The amended and restated note is secured by the I-13 and I-14 drilling rigs and associated equipment. At June 30, 2011, the outstanding balance under this note was $5.4 million.

Viking International Equipment Loan. On July 21, 2010 and December 30, 2010, Viking International, our wholly owned subsidiary, entered into a secured credit agreement with a Turkish bank to fund the purchase of vehicles. The credit agreement has a term of 48 months and matures on July 20, 2014, bears interest at an annual rate of 3.84% and is secured by the vehicles purchased with the proceeds of the loan. There is no further availability under the credit agreement. At June 30, 2011, Viking International had borrowed $2.8 million under the credit agreement.

TBNG Credit Agreement. TBNG is a party to an unsecured credit agreement with a Turkish bank. At June 30, 2011, there were outstanding borrowings of approximately 19.4 million Turkish Lira (approximately $14.0 million) under the credit agreement. Borrowings under the credit agreement bear interest at a rate of 11.65% per annum, and interest is payable quarterly. The credit facility matures on September 13, 2011 and may be renewed for an additional period on the same terms.

Contractual Obligations

The following table presents our contractual obligations at June 30, 2011:

		Payments Due by Year					
	Total	2011	2012	2013	2014	2015	Thereafter
				(in thousands)			
Leases and other	$15,319	$ 2,015	$ 3,558	$2,051	$1,362	$1,330	$ 5,003
Contracts	36,550	31,050	5,500	—	—	—	—
Permits	32,780	16,780	16,000	—	—	—	—
	$84,649	$49,845	$25,058	$2,051	$1,362	$1,330	$ 5,003

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements at June 30, 2011.

Forward-Looking Statements

Certain statements contained in this Quarterly Report on Form 10-Q are “forward-looking statements” and are prospective. Forward-looking statements are typically identified by words such as “anticipate,” “believe,” “expect,” “plan,” “intend,” “may,” “project,” “forecast,” “estimate,” “continue,” “would,” “could” or similar words suggesting future outcomes or statements regarding an outlook. Such forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements.

The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: market prices for natural gas, natural gas liquids and oil products; estimates of reserves and economic assumptions; the ability to produce and transport natural gas, natural gas liquids and oil; the results of exploration and development drilling and related activities; economic conditions in the countries and provinces in which we carry on business, especially economic slowdowns; actions by governmental authorities including increases in taxes and receipt of required approvals, changes in environmental and other regulations, and renegotiations of contracts; political uncertainty, including actions by insurgent groups or other conflict; the negotiation and closing of material contracts; and the other factors discussed in other documents that we file with or furnish to the Securities and Exchange Commission (“SEC”). The impact of any one factor on a particular forward-looking statement is not determinable with certainty, as such factors are interdependent upon other factors. In that regard, any statements as to future natural gas or oil production levels; capital expenditures; the allocation of capital expenditures to exploration and development activities; sources of funding for our capital program; drilling of new wells; demand for natural gas and oil products; expenditures and allowances relating to environmental matters; dates by which certain areas will be developed or will come on-stream; expected finding and development costs; future production rates; ultimate recoverability of reserves; dates by which transactions are expected to close; cash flows; uses of cash flows; collectability of receivables; availability of trade credit; expected operating costs; changes in any of the foregoing and other statements using forward-looking terminology are forward-looking statements.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other things contemplated by the forward-looking statements will not occur.

Forward-looking statements in this Quarterly Report on Form 10-Q are based on management's beliefs and opinions at the time the statements are made. The forward-looking statements contained in this Quarterly Report on Form 10-Q are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this Quarterly Report on Form 10-Q are made as of the date of this Quarterly Report on Form 10-Q and we undertake no obligation to publicly update or revise any forward-looking statements to reflect new information, future events or otherwise, except as required by applicable securities laws.

Note Regarding Boe

We use the term barrels of oil equivalent, or Boe, in this Quarterly Report on Form 10-Q. We calculate Boe by converting natural gas to oil in the ratio of six Mcf of natural gas to one Bbl of oil. The conversion factor is the convention used by many oil and gas companies. Boe may be misleading, particularly if used in isolation. A Boe conversion ratio of six Mcf to one Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

During the second quarter of 2011, there were no material changes in market risk exposures that would affect the Quantitative and Qualitative Disclosures About Market Risk disclosed in our Annual Report on Form 10-K for the year ended December 31, 2010. The following tables set forth our outstanding derivatives contracts with respect to future oil production as of June 30, 2011:

Type	Period	Quantity (Bbl/day)	Weighted Average Minimum Price (per Bbl)	Weighted Average Maximum Price (per Bbl)	Estimated Fair Value of Liability (in thousands)
Collar	July 1, 2011 — December 31, 2011	1,060	$ 64.39	$ 101.32	$ (2,450)
Collar	January 1, 2012 — December 31, 2012	960	$ 64.69	$ 106.98	(4,757)
Collar	January 1, 2013 — December 31, 2013	400	$ 75.00	$ 125.50	(701)
Collar	January 1, 2014 — December 31, 2014	380	$ 75.00	$ 124.25	(568)
					$ (8,476)

			Collar		Additional Call	
Type	Period	Quantity (Bbl/day)	Weighted Average Minimum Price (per Bbl)	Weighted Average Maximum Price (per Bbl)	Weighted Average Maximum Price (per Bbl)	Estimated Fair Value of Liability (in thousands)
Three-way collar contract	July 1, 2011 — December 31, 2011	240	$ 70.00	$100.00	$ 129.50	$ (558)
Three-way collar contract	January 1, 2012 — December 31, 2012	240	$ 70.00	$100.00	$ 129.50	(1,028)
						$ (1,586)

Item 4. Controls and Procedures

Recent Acquisitions

On August 25, 2010, we acquired Amity and Petrogas. For purposes of determining the effectiveness of our disclosure controls and procedures and any change in our internal control over financial reporting, management has excluded the internal control over financial reporting of Amity and Petrogas from its evaluation of these matters. The acquired businesses represent approximately 17.6% of our consolidated total assets at June 30, 2011 and approximately 11.0% of our total revenues for the six months ended June 30, 2011.

On February 18, 2011, we acquired Direct Morocco, Anschutz and Direct Bulgaria. For purposes of determining the effectiveness of our disclosure controls and procedures and any change in our internal control over financial reporting, management has excluded the internal control over financial reporting of Direct Morocco, Anschutz and Direct Bulgaria from its evaluation of these matters. The acquired businesses represent approximately less than 1% of our consolidated total assets and total revenues at June 30, 2011 and for the six months ended June 30, 2011, respectively.

On June 7, 2011, we acquired TBNG. For purposes of determining the effectiveness of our disclosure controls and procedures and any change in our internal control over financial reporting, management has excluded the internal control over financial reporting of TBNG from its evaluation of these matters. The acquired businesses represent approximately 15.3% of our consolidated total assets at June 30, 2011 and approximately 2.8% of our total revenues for the six months ended June 30, 2011.

Any material change to our internal control over financial reporting due to the acquisition of Amity, Petrogas, Direct Morocco, Anschutz, Direct Bulgaria and TBNG will be disclosed in our annual report for the year ending December 31, 2011, in which our assessment that encompasses these entities will be included.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

As of June 30, 2011, management carried out an evaluation, under the supervision and with the participation of our chief executive officer and chief financial officer, of the effectiveness of our disclosure controls and procedures. Based upon the evaluation, which excluded the internal control over financial reporting of Amity, Petrogas, Direct Morocco, Anschutz, Direct Bulgaria and TBNG, and as a result of the material weaknesses in internal control over financial reporting described in our Annual Report on Form 10-K for the year ended December 31, 2010, our chief executive officer and chief financial officer concluded that, as of June 30, 2011, our disclosure controls and procedures were not effective at the reasonable assurance level.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurances of achieving their control objectives.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the second quarter of 2011 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting, except as follows:

Staffing. In May and June 2011, we hired the following accounting personnel who have specific experience in financial reporting for public companies, preparation of consolidated financial statements, and oil and gas property, oilfield services and multi-currency accounting:

- Corporate Controller, whose responsibilities include overseeing all aspects of our accounting function and the consolidation of our financial statements;
- Director of Financial Reporting, whose responsibilities include overseeing the timely filing of our Quarterly Reports on Form 10-Q and Annual Report on Form 10-K and playing a key role in the remediation of deficiencies in our internal control over financial reporting;
- Director of Internal Audit, whose responsibilities include establishing and monitoring the effectiveness of our internal control over financial reporting and monitoring the remediation of deficiencies in our internal control over financial reporting. The director of internal audit is also responsible for ensuring that we maintain an effective anti-fraud program;
- Director of Mergers and Acquisitions Accounting, whose responsibilities include leading the accounting and finance integration of acquisitions, including Direct Bulgaria and TBNG;
- Controller, Exploration and Production, whose responsibilities include managing the accounting for our exploration and production business segment and implementing the controls necessary to remediate deficiencies in our internal control over financial reporting; and
- Controller, Drilling Services, whose responsibilities include managing the accounting for our drilling services business segment and implementing the controls necessary to remediate deficiencies in our internal control over financial reporting.

Integration of Accounting Functions. In May 2011, we completed the integration of two separate and distinct accounting system databases located in Istanbul (used for our Turkish subsidiaries) and Dallas (used for consolidating and reporting and for accounting for our holding companies and our Moroccan, Bulgarian and Romanian subsidiaries) into one database in Istanbul, effective for all activity on or after January 1, 2011. The combined database has multi-currency functionality and is able to generate U.S. GAAP reports for individual subsidiaries. We believe this integration has improved accuracy and has reduced conflicts and redundancies. Because the underlying data largely resides in a single location, the number of adjusting entries has also been reduced.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

During the second quarter of 2011, there were no material developments to the Legal Proceedings disclosed in "Part I, Item 3. Legal Proceedings" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

Item 1A. Risk Factors

During the second quarter of 2011, there were no material changes to the Risk Factors disclosed in "Part I, Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2010, as updated by the Risk Factors disclosed in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, except for the following:

Difficulties in combining the operations of Amity, Petrogas, Direct Bulgaria and TBNG with our operations may prevent us from achieving the expected benefits from the acquisitions.

There are significant risks and uncertainties associated with our acquisitions of Amity, Petrogas, Direct Bulgaria and TBNG. The acquisitions are expected to provide substantial benefits, including among other things, expanding our presence in the Thrace Basin, creating a presence in Bulgaria and providing additional prospective acreage for shallow gas targets as well as deeper conventional and unconventional gas. Achieving such expected benefits is subject to a number of uncertainties, including:

- whether the operations of Amity, Petrogas, Direct Bulgaria and TBNG are integrated with us in an efficient and effective manner;
- difficulty transitioning customers and other business relationships to our company;
- problems unifying management of a combined company;
- loss of key employees from our existing or acquired businesses; and
- increased competition from other companies seeking to expand sales and market share during the integration period.

Failure to achieve these benefits could result in increased costs, decreases in the amount of expected revenues and diversion of management's time and energy from the development and operation of our existing business that could materially and adversely impact our business, financial condition and operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Reserved

Item 5. Other Information

Item 6. Exhibits

2.1*	Share Purchase Agreement, dated April 23, 2011, by and between Mustafa Mehmet Corporation and TransAtlantic Worldwide, Ltd.
2.2*	First Amendment to Share Purchase Agreement, dated June 6, 2011, by and between Mustafa Mehmet Corporation and TransAtlantic Worldwide, Ltd.
2.3*	Multi-Party Agreement, dated June 6, 2011, by and between TransAtlantic Petroleum Ltd., TransAtlantic Worldwide, Ltd., Valeura Energy, Inc., Valeura Energy (Netherlands) Coöperatief UA, Pinnacle Turkey Holding Company, LLC, Thrace Basin Natural Gas Turkiye Corporation, Pinnacle Turkey, Inc. and Corporate Resources B.V.
3.1	Certificate of Continuance of TransAtlantic Petroleum Ltd., dated October 1, 2009 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated October 1, 2009, filed with the SEC on October 7, 2009).
3.2	Memorandum of Continuance of TransAtlantic Petroleum Ltd., dated August 20, 2009 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K dated October 1, 2009, filed with the SEC on October 7, 2009).
3.3	Bye-Laws of TransAtlantic Petroleum Ltd., dated July 14, 2009 (incorporated by reference to Exhibit 3.3 to the Company's Current Report on Form 8-K dated October 1, 2009, filed with the SEC on October 7, 2009).
4.1	Amended and Restated Registration Rights Agreement, dated December 30, 2008, by and between TransAtlantic Petroleum Corp. and Riata Management, LLC (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated December 30, 2008, filed with the SEC on January 6, 2009).
4.2	Registration Rights Agreement, dated February 18, 2011, by and between TransAtlantic Petroleum Ltd. and Direct Petroleum Exploration, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated February 18, 2011, filed with the SEC on February 24, 2011).
4.3	Common Share Purchase Warrant, dated December 30, 2008, by and between TransAtlantic Petroleum Corp. and Longfellow Energy, LP (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K dated December 30, 2008, filed with the SEC on January 6, 2009).
4.4	Common Share Purchase Warrant, dated September 1, 2010, by and between TransAtlantic Petroleum Ltd. and Dalea Partners, LP. (incorporated by reference to Exhibit 4.4 to the Company's Annual Report on Form 10-K, filed with the SEC on April 21, 2011).
10.1	Amended and Restated Credit Agreement, dated as of May 18, 2011, by and between DMLP, Ltd., Petrogas Petrol Gaz ve Petrokimya Ürünleri Inşaat Sanayi ve Ticaret A.Ş., Talon Exploration, Ltd., TransAtlantic Exploration Mediterranean International Pty. Ltd., TransAtlantic Turkey, Ltd., as borrowers, TransAtlantic Petroleum Ltd., TransAtlantic Petroleum (USA) Corp., TransAtlantic Worldwide, Ltd., as guarantors, the lenders party thereto from time to time, and Standard Bank Plc and BNP Paribas (Suisse) SA, as joint mandated lead arrangers and joint bookrunners, and Standard Bank Plc as administrative agent, collateral agent and technical agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated May 17, 2011, filed with the SEC on May 19, 2011).
10.2	First Amendment to Credit Agreement, dated May 18, 2011, by and between Dalea Partners, LP and TransAtlantic Petroleum Ltd. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated May 17, 2011, filed with the SEC on May 19, 2011).
10.3	Amendment to Credit Agreement, dated as of April 1, 2011, by and among TransAtlantic Worldwide, Ltd., as borrower, TransAtlantic Petroleum Ltd., TransAtlantic Petroleum (USA) Corp., Amity Oil International Pty Limited and Petrogas Petrol Gaz ve Petrokimya Ürünleri Inşaat Sanayi ve Ticaret A.Ş., as guarantors, the lenders as defined in the Credit Agreement, and Standard Bank Plc, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K dated April 1, 2011, filed with the SEC on April 6, 2011).
10.4	Amendment to Letter Agreement, dated April 2, 2011, by and between TransAtlantic Petroleum Ltd., TransAtlantic Worldwide, Ltd. and Valeura Energy Inc. (incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on May 31, 2011).
10.5	Amendment to Letter Agreement, dated April 15, 2011, by and between TransAtlantic Petroleum Ltd., TransAtlantic Worldwide, Ltd. and Valeura Energy Inc. (incorporated by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on May 31, 2011).

10.6	Amendment to Letter Agreement, dated April 23, 2011, by and between TransAtlantic Petroleum Ltd., TransAtlantic Worldwide, Ltd. and Valeura Energy Inc. (incorporated by reference to Exhibit 10.10 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on May 31, 2011).
10.7	Amendment to Letter Agreement, dated April 29, 2011, by and between TransAtlantic Petroleum Ltd., TransAtlantic Worldwide, Ltd. and Valeura Energy Inc. (incorporated by reference to Exhibit 10.11 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on May 31, 2011).
10.8	Amendment to Letter Agreement, dated May 10, 2011, by and between TransAtlantic Petroleum Ltd., TransAtlantic Worldwide, Ltd. and Valeura Energy Inc. (incorporated by reference to Exhibit 10.12 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on May 31, 2011).
10.9	Amendment to Letter Agreement, dated May 19, 2011, by and between TransAtlantic Petroleum Ltd., TransAtlantic Worldwide, Ltd. and Valeura Energy Inc. (incorporated by reference to Exhibit 10.13 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on May 31, 2011).
10.10*	Escrow Agreement, dated June 6, 2011, by and between TransAtlantic Petroleum Ltd., TransAtlantic Worldwide, Ltd., Pinnacle Turkey Holding Company, LLC, Valeura Energy (Netherlands) Coöperatief UA, Mustafa Mehmet Corporation and American Escrow Company.
10.11	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated July 13, 2011, filed with the SEC on July 19, 2011).
31.1*	Certification of the Chief Executive Officer of the Company, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Chief Financial Officer of the Company, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of the Chief Executive Officer and Chief Financial Officer of the Company, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

† Management contract or compensatory plan arrangement.
* Filed herewith. Pursuant to Item 601(b)(2) of Regulation S-K, the registrant agrees to furnish supplementally a copy of any omitted schedule to the SEC upon request.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

By: /s/ N. MALONE MITCHELL, 3rd
N. Malone Mitchell, 3rd
Chief Executive Officer

By: /s/ WIL F. SAQUETON
Wil F. Saqueton
Chief Financial Officer

Date: August 8, 2011

INDEX TO EXHIBITS

2.1*	Share Purchase Agreement, dated April 23, 2011, by and between Mustafa Mehmet Corporation and TransAtlantic Worldwide, Ltd.
2.2*	First Amendment to Share Purchase Agreement, dated June 6, 2011, by and between Mustafa Mehmet Corporation and TransAtlantic Worldwide, Ltd.
2.3*	Multi-Party Agreement, dated June 6, 2011, by and between TransAtlantic Petroleum Ltd., TransAtlantic Worldwide, Ltd., Valeura Energy, Inc., Valeura Energy (Netherlands) Coöperatief UA, Pinnacle Turkey Holding Company, LLC, Thrace Basin Natural Gas Turkiye Corporation, Pinnacle Turkey, Inc. and Corporate Resources B.V.
3.1	Certificate of Continuance of TransAtlantic Petroleum Ltd., dated October 1, 2009 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated October 1, 2009, filed with the SEC on October 7, 2009).
3.2	Memorandum of Continuance of TransAtlantic Petroleum Ltd., dated August 20, 2009 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K dated October 1, 2009, filed with the SEC on October 7, 2009).
3.3	Bye-Laws of TransAtlantic Petroleum Ltd., dated July 14, 2009 (incorporated by reference to Exhibit 3.3 to the Company's Current Report on Form 8-K dated October 1, 2009, filed with the SEC on October 7, 2009).
4.1	Amended and Restated Registration Rights Agreement, dated December 30, 2008, by and between TransAtlantic Petroleum Corp. and Riata Management, LLC (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated December 30, 2008, filed with the SEC on January 6, 2009).
4.2	Registration Rights Agreement, dated February 18, 2011, by and between TransAtlantic Petroleum Ltd. and Direct Petroleum Exploration, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated February 18, 2011, filed with the SEC on February 24, 2011).
4.3	Common Share Purchase Warrant, dated December 30, 2008, by and between TransAtlantic Petroleum Corp. and Longfellow Energy, LP (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K dated December 30, 2008, filed with the SEC on January 6, 2009).
4.4	Common Share Purchase Warrant, dated September 1, 2010, by and between TransAtlantic Petroleum Ltd. and Dalea Partners, LP. (incorporated by reference to Exhibit 4.4 to the Company's Annual Report on Form 10-K, filed with the SEC on April 21, 2011).
10.1	Amended and Restated Credit Agreement, dated as of May 18, 2011, by and between DMLP, Ltd., Petrogas Petrol Gaz ve Petrokimya Ürünleri Inşaat Sanayi ve Ticaret A.Ş., Talon Exploration, Ltd., TransAtlantic Exploration Mediterranean International Pty. Ltd., TransAtlantic Turkey, Ltd., as borrowers, TransAtlantic Petroleum Ltd., TransAtlantic Petroleum (USA) Corp., TransAtlantic Worldwide, Ltd., as guarantors, the lenders party thereto from time to time, and Standard Bank Plc and BNP Paribas (Suisse) SA, as joint mandated lead arrangers and joint bookrunners, and Standard Bank Plc as administrative agent, collateral agent and technical agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated May 17, 2011, filed with the SEC on May 19, 2011).
10.2	First Amendment to Credit Agreement, dated May 18, 2011, by and between Dalea Partners, LP and TransAtlantic Petroleum Ltd. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated May 17, 2011, filed with the SEC on May 19, 2011).
10.3	Amendment to Credit Agreement, dated as of April 1, 2011, by and among TransAtlantic Worldwide, Ltd., as borrower, TransAtlantic Petroleum Ltd., TransAtlantic Petroleum (USA) Corp., Amity Oil International Pty Limited and Petrogas Petrol Gaz ve Petrokimya Ürünleri Inşaat Sanayi ve Ticaret A.Ş., as guarantors, the lenders as defined in the Credit Agreement, and Standard Bank Plc, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K dated April 1, 2011, filed with the SEC on April 6, 2011).
10.4	Amendment to Letter Agreement, dated April 2, 2011, by and between TransAtlantic Petroleum Ltd., TransAtlantic Worldwide, Ltd. and Valeura Energy Inc. (incorporated by reference to Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on May 31, 2011).
10.5	Amendment to Letter Agreement, dated April 15, 2011, by and between TransAtlantic Petroleum Ltd., TransAtlantic Worldwide, Ltd. and Valeura Energy Inc. (incorporated by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on May 31, 2011).

10.6	Amendment to Letter Agreement, dated April 23, 2011, by and between TransAtlantic Petroleum Ltd., TransAtlantic Worldwide, Ltd. and Valeura Energy Inc. (incorporated by reference to Exhibit 10.10 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on May 31, 2011).
10.7	Amendment to Letter Agreement, dated April 29, 2011, by and between TransAtlantic Petroleum Ltd., TransAtlantic Worldwide, Ltd. and Valeura Energy Inc. (incorporated by reference to Exhibit 10.11 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on May 31, 2011).
10.8	Amendment to Letter Agreement, dated May 10, 2011, by and between TransAtlantic Petroleum Ltd., TransAtlantic Worldwide, Ltd. and Valeura Energy Inc. (incorporated by reference to Exhibit 10.12 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on May 31, 2011).
10.9	Amendment to Letter Agreement, dated May 19, 2011, by and between TransAtlantic Petroleum Ltd., TransAtlantic Worldwide, Ltd. and Valeura Energy Inc. (incorporated by reference to Exhibit 10.13 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on May 31, 2011).
10.10*	Escrow Agreement, dated June 6, 2011, by and between TransAtlantic Petroleum Ltd., TransAtlantic Worldwide, Ltd., Pinnacle Turkey Holding Company, LLC, Valeura Energy (Netherlands) Coöperatief UA, Mustafa Mehmet Corporation and American Escrow Company.
10.11	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated July 13, 2011, filed with the SEC on July 19, 2011).
31.1*	Certification of the Chief Executive Officer of the Company, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Chief Financial Officer of the Company, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of the Chief Executive Officer and Chief Financial Officer of the Company, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

† Management contract or compensatory plan arrangement.
* Filed herewith. Pursuant to Item 601(b)(2) of Regulation S-K, the registrant agrees to furnish supplementally a copy of any omitted schedule to the SEC upon request.

Exhibit 2.1

SHARE PURCHASE AGREEMENT

BETWEEN

MUSTAFA MEHMET CORPORATION as Seller

AND

TRANSATLANTIC WORLDWIDE, LTD. or assigns as Buyer

TABLE OF CONTENTS

SHARE PURCHASE AGREEMENT

THIS SHARE PURCHASE AGREEMENT (this "Agreement") is entered into this day of April, 2011 (the "Effective Date"), by and among MUSTAFA MEHMET CORPORATION, an exempt company organized under the laws of the Unites States Virgin Islands (" Seller") and TRANSATLANTIC WORLDWIDE, LTD., an international business company organized under the laws of the Commonwealth of the Bahamas (hereinafter "Buyer")

RECITALS

WHEREAS, Seller is the owner of 100% of the shares of stock (the "Shares") of Thrace Basin Natural Gas (Turkiye) Corporation (the "Company" or "TBNG") a corporation organized under the laws of the British Virgin Islands having its registered office at Omar Hodge Building, 3rd Floor, PO Box 933, Road Town, Tortula, the British Virgin Islands, which operates through a branch located in Turkey having a registered office at Turan güneş Bulvarı 708. Sok. No : 14/4 06550 Çankaya, Ankara/Türkiye known and referred to as Thrace Basin Natural Gas Corporation Ankara Türkiye Şubesi (the "Branch");

WHEREAS, Seller has agreed to sell the Shares and, in reliance on the representations, warranties and undertakings given in this Agreement by the Seller, the Buyer has agreed to buy the Shares from the Seller on the terms and conditions in this Agreement.

NOW THEREFORE WITNESSETH, in consideration of the mutual promises herein made, and in consideration of the representations, warranties and covenants herein contained, the parties, intending to be legally bound, agree as follows:

ARTICLE 1
DEFINITIONS

For purposes of this Agreement, in addition to the other terms defined herein, the following terms have the meanings specified or referred to in this ARTICLE 1:

1.1. Action

"Action" means any actual or threatened Proceeding that, if determined negatively against the Seller, the Company, an Affiliate of the Seller or the Company or any predecessor of the Seller or the Company, would result in a Material Adverse Change with respect to the Company's assets or businesses.

1.2. Affiliate

"Affiliate" means, with respect to any Person, any shareholder, member, officer, director or manager of such Person or any other Person directly or indirectly Controlling, Controlled by, or under common Control with, such Person.

1.3. Agreement

"Agreement" is defined in the preamble of this Agreement.

1.4. Balance Sheet

"Balance Sheet" is defined in Section 4.16.

1.5. Branch

"Branch" is defined in the recitals of this Agreement.

1.6. Buyer

"Buyer" is defined in the preamble of this Agreement.

1.7. Closing

"Closing" is defined in Section 2.2.

1.8. Closing Date

"Closing Date" means the date and time as of which the Closing actually takes place. The Closing Date shall be on or before May 11, 2011 unless, on such date, all required Governmental Authorizations, including approval from the Competition Board, have not been obtained despite the applications therefor having been diligently made, in which case the Closing Date shall be extended for a period ending on the earlier to occur of (i) July 8, 2011 and (ii) the date which is five days following the date on all Governmental Authorizations are received.

1.9. Company

"Company" means TBNG.

1.10. Company and Branch Governing Documents

"Company and Branch Governing Documents" is defined in Section 4.1(a).

1.11. Competition Board

"Competition Board" means the Competition Board of the Republic of Turkey.

1.12. Consent

"Consent" means any approval, consent, ratification, waiver, or other authorization (including any Governmental Authorization).

1.13. Contract

"Contract" means any agreement, contract, obligation, promise, or undertaking (whether written or oral and whether express or implied) that is, as of the date of reference, legally binding.

1.14. Control

"Control" over a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities or any other equity interests, representation on its board of directors or body performing similar functions, by contract or otherwise. The terms "Controlling" and "Controlled" will have corollary meanings.

1.15. Damages

"Damages" is defined in Section 10.2.

1.16. Dispute

"Dispute" is defined in Section 12.13(a).

1.17. Effective Date

"Effective Date" is defined in the preamble of this Agreement.

1.18. Equipment

"Equipment" is defined in Section 4.3(d).

1.19. EMRA

"EMRA" means the Energy Markets Regulatory Authority of the Republic of Turkey.

1.20. Encumbrance

"Encumbrance" means any charge, claim, community property interest, condition, equitable interest, lien, option, pledge, security interest, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income, or exercise of any other attribute of ownership.

1.21. Environment

"Environment" means soil, land surface or subsurface strata, surface waters (including navigable waters, ocean waters, streams, ponds, drainage basins, and wetlands), groundwaters, drinking water supply, stream sediments, ambient air (including indoor air), plant and animal life, and any other environmental medium or natural resource.

1.22. Environmental, Health, and Safety Liabilities

"Environmental, Health, and Safety Liabilities" means any cost, damages, expense, liability, obligation, or other responsibility arising from or under Environmental Law or Occupational Safety and Health Law and consisting of or relating to:

(a) any environmental, health, or safety matters or conditions (including on-site or off-site contamination, occupational safety and health, and regulation of chemical substances or products);

(b) fines, penalties, judgments, awards, settlements, legal or administrative proceedings, damages, losses, claims, demands and response, investigative, remedial, or inspection costs and expenses arising under Environmental Law or Occupational Safety and Health Law;

(c) financial responsibility under Environmental Law or Occupational Safety and Health Law for cleanup costs or corrective action, including any investigation, cleanup, removal, containment, or other remediation or response actions ("Cleanup") required by applicable Environmental Law or Occupational Safety and Health Law (whether or not such Cleanup has been required or requested by any Governmental Body or any other Person) and for any natural resource damages; or

(d) any other compliance, corrective, investigative, or remedial measures required under Environmental Law or Occupational Safety and Health Law.

1.23. Environmental Law

"Environmental Law" means any Legal Requirement that requires or relates to:

(a) advising appropriate authorities, employees, and the public of intended or actual releases of pollutants or hazardous substances or materials, violations of discharge limits, or other prohibitions and of the commencements of activities, such as resource extraction or construction, that could have significant impact on the Environment;

(b) preventing or reducing to acceptable levels the release of pollutants or hazardous substances or materials into the Environment;

(c) reducing the quantities, preventing the release, or minimizing the hazardous characteristics of wastes that are generated;

(d) assuring that products are designed, formulated, packaged, and used so that they do not present unreasonable risks to human health or the Environment when used or disposed of;

(e) protecting resources, species, or ecological amenities;

(f) reducing to acceptable levels the risks inherent in the transportation of hazardous substances, pollutants, oil, or other potentially harmful substances;

(g) cleaning up pollutants that have been released, preventing the threat of release, or paying the costs of such clean up or prevention; or

(h) making responsible parties pay private parties, or groups of them, for damages done to their health or the Environment, or permitting self-appointed representatives of the public interest to recover for injuries done to public assets.

1.24. Exploration and Exploitation Licenses

"Exploration and Exploitation Licenses" means any exploration license or production lease held by the Company (either in their own name or through a Turkish branch), as extended, re-issued or reviewed prior to the Closing Date.

1.25. Facilities

"Facilities" means any real property, leaseholds, or other interests owned or operated by the Company as of the Effective Date and any buildings, plants, structures, pipelines or equipment (including motor vehicles and rolling stock) owned or operated by the Company as of the Effective Date, including, but not limited to, the Company's headquarters buildings and real property which are located at Tekirdag, Turkey.

1.26. GDPA

"GDPA" means the General Directorate of Petroleum Affairs of the Ministry of Energy and Natural Resources of the Republic of Turkey.

1.27. Governmental Authorization

"Governmental Authorization" means any approval, consent, license, permit, waiver, or other authorization issued, granted, given, or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement.

1.28. Governmental Body

"Governmental Body" means:

(a) whether or not included in the clauses below, the Competition Board, EMRA, and GDPA;

(b) any nation, state, county, city, town, village, district, or other jurisdiction of any nature;

(c) any federal, state, local, municipal, foreign, or other government;

(d) any governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal);

(e) any multi-national organization or body; or

(f) any Person or body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature.

1.29. Hazardous Activity

"Hazardous Activity" means the distribution, generation, handling, importing, management, manufacturing, processing, production, refinement, Release, storage, transfer,

transportation, treatment, or use (including any withdrawal or other use of groundwater) of Hazardous Materials in, on, under, about, or from the Facilities or any part thereof into the Environment, and any other act, business, operation, or thing that increases the danger, or risk of danger, or poses an unreasonable risk of harm to persons or property on or off the Facilities, or that may affect the value of the Facilities or the Company.

1.30. Hazardous Materials

"Hazardous Materials" means any waste or other substance that is listed, defined, designated, or classified as, or otherwise determined to be, hazardous, radioactive, or toxic or a pollutant or a contaminant under or pursuant to any Environmental Law, including any admixture or solution thereof, and specifically including petroleum and all derivatives thereof or synthetic substitutes therefor and asbestos or asbestos-containing materials.

1.31. Incoming Directors

"Incoming Directors" means those persons nominated in writing by the Buyer at least five (5) business days prior to Closing by the Buyer to be directors of the Company as of the Closing Date.

1.32. Knowledge

"Knowledge" when used in determining if Person will be deemed to have "Knowledge" of a particular fact or other matter, means that:

(a) such Person is actually aware of such fact or other matter; or

(b) in the case of an organization, a reasonably prudent officer or manager responsible for a particular area, function or segment of that organization using ordinary care in the exercise of his duties and responsibilities should have been aware of or should have discovered such fact or other matter.

1.33. Legal Requirement

"Legal Requirement" means any federal, state, local, municipal, foreign, international, multinational, or other administrative order, constitution, law, ordinance, principle of common law, regulation, statute, or treaty.

1.34. Liability

"Liability" means any liability or obligation (whether actual, contingent or prospective), including any liability for Taxes.

1.35. Licenses

"Licenses" shall mean any statutory, municipal, contractual or other license, Consent, permission, permit, right or authority issued or approved by any Governmental Body.

1.36. Material Adverse Change

"Material Adverse Change" means, as to a Person, a material adverse effect whether individually or in the aggregate (a) on the business, operations, financial condition, assets or properties of such Person or (b) in the ability of such Person to consummate the transactions contemplated by this Agreement.

1.37. Notice of Dispute

"Notice of Dispute" is defined in Section 12.13(a).

1.38. Occupational Safety and Health Law

"Occupational Safety and Health Law" means any Legal Requirement designed to provide safe and healthful working conditions and to reduce occupational safety and health hazards, and any program, whether governmental or private (including those promulgated or sponsored by industry associations), designed to provide safe and healthful working conditions.

1.39. Order

"Order" means any award, decision, injunction, judgment, order, ruling, subpoena, or verdict entered, issued, made, or rendered by any court, administrative agency, or other Governmental Body or by any arbitrator.

1.40. Ordinary Course of Business

"Ordinary Course of Business" means when applied to an action of a Person that:

(a) such action is consistent with the past practices of such Person and is taken in the ordinary course of the normal day-to-day operations of such Person; and

(b) such action is not required to be authorized by the board of directors of such Person (or by any Person or group of Persons exercising similar authority) and is not required to be specifically authorized by the parent company (if any) of such Person.

1.41. Organizational Documents

"Organizational Documents" means:

(a) the articles or certificate of incorporation and the bylaws of a corporation;

(b) any charter or similar document adopted or filed in connection with the creation, formation or organization of a Person; and

(c) any amendment to any of the foregoing.

1.42. Overriding Royalties

"Overriding Royalties" means the 1% Overriding Royalty Agreement and the Gaziantep Overriding Royalty Agreement described in (a) and (b) below:

(a) 1% Overriding Royalty Agreement means the agreement attached as Schedule 1.42(a) pursuant to which Seller or its assign shall be assigned a one percent (1%) overriding royalty interest (proportionately reduced where the Company owns less than 100%) in all Exploration and Exploitation Licenses owned by the Company on the Closing Date in District I in all existing and future wells drilled on such Exploration and Exploitation Licenses, including, without limitation, all wells spudded prior to the Effective Date, wells spudded in the future and workovers of all wells; and

(b) Gaziantep Overriding Royalty Agreement means the agreement attached as Schedule 1.42(b) pursuant to which Seller or its assign shall be assigned the overriding royalty now held by the Company over production from the five (5) concessions near Gaziantep in District XII, numbered as AR/TGT/4607, 4638, 4648, 4649 and 4656;

1.43. Person

"Person" means any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, labor union, or other entity or Governmental Body.

1.44. Powers of Attorney

"Powers of Attorney" is defined in Section 7.4(i).

1.45. Proceeding

"Proceeding" means any action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative, investigative, or informal) commenced, brought, threatened, conducted, or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

1.46. PTI

"PTI" is defined in Section 4.4(a).

1.47. Purchase Price

"Purchase Price" means, collectively, the following:

(a) The TA Stock; and

(b) The Overriding Royalties.

1.48. Release

"Release" means any spilling, leaking, emitting, discharging, depositing, escaping, leaching, dumping, or other releasing into the Environment, whether intentional or unintentional.

1.49. Resigning Directors

"Resigning Directors" means the existing directors of the Company (other than those directors which may have been nominated by the Buyer).

1.50. Rules

"Rules" is defined in Section 12.13(c)(i).

1.51. Securities Act

"Securities Act" means the Securities Act of 1933, as amended or any successor law, and regulations and rules issued pursuant to the Securities Act or any successor law.

1.52. Seller

"Seller" is defined in the preamble of this Agreement.

1.53. Shares

"Shares" is defined in the recitals of this Agreement.

1.54. Senior Executive

"Senior Executive" is defined in Section 12.13(b).

1.55. TA Stock

"TA Stock " shall mean Eighteen Million Five Hundred Thousand (18,500,000) shares of the common stock of TransAtlantic payable to Seller in accordance with Section 2.3.

1.56. Tax

"Tax" means all taxes, assessments, charges, duties, fees, levies or other governmental charges, including, without limitation, all Turkish, Virgin Islands, local, foreign and other income, franchise, profits, capital gains, capital stock, transfer, value-added, sales, use, occupation, property, excise, severance, windfall profits, stamp, license, payroll, withholding and other taxes (and any interest and penalties with respect thereto).

1.57. TBNG

"TBNG" is defined in the recitals of this Agreement.

1.58. Threat of Release

"Threat of Release" means a substantial likelihood of a Release that may require action in order to prevent or mitigate damage to the Environment that may result from such Release.

1.59. TransAtlantic

"TransAtlantic" means TransAtlantic Petroleum Ltd., an exempted company with limited liability organized under the laws of Bermuda.

1.60. Turkish Regulatory Authorities

"Turkish Regulatory Authorities" means, collectively, GDPA, EMRA and the Competition Board.

ARTICLE 2
SALE AND TRANSFER OF SHARES; CLOSING

2.1. Shares

On the Closing Date, subject to the terms and conditions of this Agreement, Seller will sell and transfer the Shares to Buyer, and Buyer will purchase the Shares from Seller.

2.2. Closing

Subject to the prior or concurrent fulfillment of all obligations and conditions set forth in ARTICLE 7 and ARTICLE 8, the purchase and sale (the "Closing") provided for in this Agreement will take place at the offices of Kane Russell Coleman & Logan, 1601 Elm Street, Suite 3700, Dallas, Texas 75201 on or before the Closing Date.

2.3. Payment of the Purchase Price

The Purchase Price shall be paid by Buyer at Closing as follows:

(a) Buyer shall deliver the TA Stock; and

(b) Buyer shall execute and deliver to Seller the agreements providing for the Overriding Royalties.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF SELLER WITH RESPECT TO SELLER

Seller represents and warrants to Buyer as follows:

3.1. Organization and Good Standing of Seller

Seller is an exempt company organized under the laws of the United States Virgin Islands, with full corporate power and authority and all licenses, permits and authorizations

necessary to conduct its business as it is now being conducted, to own or use the properties and assets that it owns or uses, and to perform all its obligations. Seller is not in default or in violation of any provision of its charter or bylaws.

3.2. Authority; No Conflict

This Agreement constitutes the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms. Seller has the unrestricted right, power, authority and capacity to execute and deliver this Agreement and the Shares.

Neither the execution and delivery of this Agreement nor the consummation or performance of any of the transactions contemplated hereunder will, directly or indirectly (with or without notice or lapse of time):

(a) contravene, conflict with, or result in a violation of (i) any provision of the Organizational Documents of Seller, or (ii) any resolution adopted by the board of directors or the stockholders of Seller;

(b) except for any required approvals of the Turkish Regulatory Authorities, contravene, conflict with, or result in a violation of, or give any Governmental Body or other Person the right to challenge any of the transactions contemplated hereunder or to exercise any remedy or obtain any relief under, any Legal Requirement or any Order to which the Seller, or the Company, or any of the assets owned or used by the Seller, or the Company, may be subject;

(c) except for any required approvals of the Turkish Regulatory Authorities, contravene, conflict with, or result in a violation of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate, or modify, any Governmental Authorization that is held by the Company or that otherwise relates to the business of, or any of the assets owned or used by, the Company;

(d) contravene, conflict with, or result in a violation or breach of any provision of, or give any Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, modify or require any notice under, any agreement, Contract, lease, license, document, instrument or other arrangement to which the Company is a party or to which any of its property is subject; or

(e) result in the imposition or creation of any Encumbrance upon or with respect to any of the assets owned or used by the Company.

3.3. Ownership of the Shares and the Company

Seller is and will be on the Closing Date, prior to the conveyance to Buyer, the sole record and beneficial owner of all of the Shares, free and clear of all Encumbrances, and no other Person holds or owns any interest in any of the Shares. Seller is and will be on the Closing Date, prior to the conveyance to Buyer, the sole record and beneficial owner of the Company (including the Branch), free and clear of all Encumbrances, in full compliance of all applicable Legal Requirements, including, without limitation, applicable laws in the U.S. Virgin Islands, the British Virgin Islands and the Republic of Turkey. Upon consummation of the purchase and sale

of the Shares between Seller and Buyer as contemplated by this Agreement, Buyer will acquire one hundred percent (100%) ownership of the Company, including, without limitation, the Branch and all of the assets owned by the Company and/or the Branch, free and clear of all Encumbrances.

3.4. Absence of Certain Liabilities

Neither the Seller nor the Company has any Liability with respect to:

(a) Any Tax incurred or accrued as of the Effective Date or up to the Closing Date other than in the Ordinary Course of Business; or

(b) Any dispute with another Person involving more than One Hundred Thousand U.S. Dollars (US $100,000.00).

3.5. Legal Proceedings; Orders

There is no pending Proceeding:

(a) that has been commenced by or against the Company or the Seller that otherwise relates to or may affect the business of, or any of the assets owned or used by, the Company or the Seller; or

(b) that challenges, or that may have the effect of preventing, delaying, making illegal, or otherwise interfering with, any of the transactions contemplated herein.

To the Knowledge of Seller, (i) no such Proceeding has been threatened against the Company or the Seller, and (ii) no event has occurred or circumstance exists that may give rise to or serve as a basis for the commencement of any such Proceeding.

Seller has not received, at any time since January 1, 2005, any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding any actual, alleged, possible, or potential violation of, or failure to comply with, any term or requirement of any Order to which the Company, or any of the assets owned or used by it, is or has been subject.

3.6. Contracts

Seller is not a party to any Contracts that cannot be cancelled without penalty and which create a financial obligation on the part of Seller in excess of US $50,000.00.

3.7. Brokers or Finders

Seller and its agents have incurred no obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with this Agreement.

3.8. Solvency

(a) No proceedings in bankruptcy or insolvency have ever been instituted by or against Seller, or any Affiliate thereof, and no such proceeding is now pending or contemplated; and

(b) The books and records of Seller have been maintained in the Ordinary Course of Business. Seller is solvent pursuant to the laws of the United States Virgin Islands and pursuant to the laws of the United States, as reflected by the entries in said books and records and as reflected by the actual facts.

3.9. Disclosure

Except as disclosed in the Schedules to this Agreement, the statements contained in this ARTICLE 3 are correct and complete as of the date of this Agreement.

3.10. Securities Representations

(a) Seller is an "accredited investor" as defined in Rule 501(a) of Regulation D, as amended, under the Securities Act.

(b) Seller has sufficient knowledge and experience in business and financial matters so as to be able to evaluate the risks and merits of its investment in the TA Stock and has so evaluated the merits and risks of such investment. Seller is able to bear the economic risk of an investment in the TA Stock and, at the present time, is able to afford a complete loss of such investment.

(c) Seller is not purchasing the TA Stock as a result of any general solicitation or general advertising, including any advertisement, article, notice or other communication regarding the TA Stock published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or meeting or any other general advertisement.

(d) Seller is not a registered broker dealer or an entity engaged in the business of being a broker dealer.

(e) Seller acknowledges it has reviewed all the information it considers necessary or appropriate for deciding whether to acquire the TA Stock, including but not limited to TransAtlantic's filings with the Securities and Exchange Commission. Seller has conducted all due diligence and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the TA Stock to be issued to Seller. Seller further has had an opportunity to ask questions and receive answers from TransAtlantic regarding the terms and conditions of the issuance of the TA Stock and to obtain additional information necessary to verify any information furnished to Seller or to which Seller has had access. Seller has sought such accounting, legal and tax advice as it has considered necessary to make an informed decision with respect to its acquisition of the TA Stock.

(f) The shares of TA Stock are being acquired by Seller for its own account and not with a view to, or for resale in connection with, any distribution thereof in violation of applicable Canadian securities laws, the Securities Act, any state securities laws or the laws of any other jurisdiction. There are no other agreements, arrangements or understandings pursuant to which Seller has agreed to acquire the TA Stock.

(g) Within the six month period prior to the Closing Date, Seller has not directly or indirectly executed or effected or caused to be executed or effected any short sale, option or equity swap transactions in or with respect to the TA Stock or any other derivative security transaction the purpose or effect of which is to hedge or transfer to a third party all or any part of the risk of loss associated with the ownership of the TA Stock by Seller. Seller has complied at all times with the provisions of Regulation M promulgated under the Securities Act as applicable to the TA Stock.

(h) Seller understands that (i) the shares of TA Stock to be acquired by it are "restricted securities" within the meaning of Rule 144 of the Securities Act and have not been registered under the Securities Act, applicable Canadian securities laws, any state securities laws or the laws of any other jurisdiction, (ii) the TA Stock can only be disposed of if such disposition is either registered under the Securities Act or is exempt from such registration, (iii) the TA Stock will bear the legends to such effect set forth or described below, and (iv) Seller may be, as a result of its due diligence investigations and negotiations in connection with this Agreement, in possession of material non-public information concerning TransAtlantic, Buyer and its subsidiaries, their assets, operations and financial condition, and accordingly may be subject to liabilities under the Securities and Exchange Act of 1934, as amended, if Seller, its officers, directors, affiliates and controlling persons engage in trading in securities of TransAtlantic while in possession of such material non-public information.

(i) Seller acknowledges that the certificates evidencing the TA Stock will bear a legend substantially similar to the following:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING OR OTHERWISE HOLDING SUCH SECURITIES, AGREES FOR THE BENEFIT OF TRANSATLANTIC PETROLEUM LTD. (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) INSIDE THE UNITED STATES, PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 OR RULE 144A THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR

ANY APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES, AND THE HOLDER HAS FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL TO THE EFFECT THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

3.11. Ownership of Facilities

As of the Closing Date, the Company will own all of the Facilities.

ARTICLE 4
REPRESENTATIONS OF SELLER WITH RESPECT TO THE COMPANY

The representations and warranties of Seller contained in this ARTICLE 4 concerning the Company shall be read to include the Branch in each and every case except where the context does not allow. Seller hereby represents and warrants to Buyer as follows:

4.1. Organization, Qualification and Corporate Power; No Conflicts

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the British Virgin Islands. It is duly authorized to conduct business and is in good standing under the laws of each jurisdiction where such qualification is required (including, without limitation, the Republic of Turkey). The Branch is a branch office of the Company duly established, validly existing and in good standing under the laws of the Republic of Turkey, including, without limitation, the Petroleum Law of the Republic of Turkey. The Company has full corporate power and authority to carry on the businesses in which it is engaged and to own, lease and use the properties owned, leased and used by it (including, without limitation, the Exploration and Exploitation Licenses). Seller has delivered to Buyer correct and complete copies of the formation and governance documents of the Company and the Branch (including, without limitation, the certificate of incorporation, any certificates of incorporation on change of name and the bylaws of the Company and the source file of the Branch filed with the GDPA) (collectively, the "Company and Branch Governing Documents"), each as amended to date.

(b) Except as set forth on Schedule 4.1, the Company will not be required to give any notice to, make any filing with, or obtain any Consent from any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any of the transactions contemplated hereunder. Neither the Company nor the Branch is in violation or default of any provisions of the Company and Branch Governing Documents. The execution, delivery, issuance and performance of the closing deliverables by Seller and the transfer of the Shares from Seller to Buyer (i) are not and will not be in conflict with or result in a violation or breach of, with or without the passage of time or the giving of notice or both, any Company and

Branch Governing Documents, any judgment, order or decree of any court or arbitrator to which the Company or the Branch is a party or is subject, or any Contract, License, agreement, lease or other similar instrument or obligation to which the Company or the Branch is a party or by which it is bound, (ii) will not give any Governmental Body or any third Person the right to revoke, withdraw, suspend, cancel, terminate or modify any term or provision of any License or Contract applicable to the Company or the Branch, and (iii) do not and will not constitute an event that results in the creation of any lien, charge or other Encumbrance upon any asset of the Company or the Branch.

4.2 Capitalization of the Company

The entire authorized equity securities of the Company consist of 10,000,000 shares of stock, with a par value of US $0.01 per share, all of which are issued and outstanding and constitute the Shares. All of the Shares have been duly authorized and are validly issued, fully paid and nonassessable. There are no outstanding or authorized options, warrants, purchase rights, subscription rights, conversion rights, exchange rights or other, Contracts or commitments that could require the Company to insure, sell or otherwise cause to become outstanding any of its equity securities or other securities of the Company or any rights relating to an interest in the revenues or profits of the Company.

4.3. Certain Assets of the Company

(a) Schedule 4.3(a) contains a complete and accurate list and brief description of all Exploration and Exploitation Licenses owned by the Company.

(b) Schedule 4.3(b) contains a complete and accurate list and brief description of all joint venture, operating or other similar agreements to which the Company is a party relating to any Exploration and Exploitation Licenses.

(c) All Facilities have been properly maintained and are in good working order for the purposes utilized by the Company in its business.

(d) Schedule 4.3(d) contains a complete and accurate list and brief description of all equipment owned or leased by the Company (the "Equipment"). All such Equipment has been properly maintained and is in good working order for the purposes utilized by the Company in its business.

4.4. Absence of Certain Liabilities

The Company has no Liability with respect to:

(a) Any Tax incurred or accrued as of the Effective Date or up to the Closing Date other than the amount accrued in the Ordinary Course of Business or as a result of the transfer of exploration licenses to Pinnacle Turkey, Inc., a corporation organized under the laws of the British Virgin Islands ("PTI") during the four-month period prior to the Effective Date, which transfer has been approved by Buyer; or

(b) Any dispute with another Person involving more than One Hundred Thousand U.S. Dollars (US $100,000.00).

4.5. Licenses

(a) All Exploration and Exploitation Licenses issued to the Company by GDPA as set forth in Schedule 4.3(a) are valid and correct;

(b) All Licenses issued to the Company by EMRA in connection with their operations in Turkey are valid and correct; and

(c) No Liability exists with respect to any investigation of, or Proceeding with respect to, any of the licenses referred to clauses (a) and (b) above.

4.6. Books and Records

The books of account and other records of the Company, all of which have been made available to Buyer, are complete and correct in all material respects, and have been maintained in accordance with sound business practices, including the maintenance of an adequate system of internal controls.

4.7. Employee Benefits

Schedule 4.7 contains a list of the Company's employee compensation. The Company has complied with all Legal Requirements governing wages, hours, collective bargaining, discrimination, safety, severance pay and retirement benefits for its employees.

4.8. Compliance with Legal Requirements

(a) The Company is in compliance in all material respects with each Legal Requirement that is or was applicable to them or to the conduct or operation of their businesses or the ownership or use of any of their assets;

(b) No event has occurred or circumstance exists that (with or without notice or lapse of time) (i) may reasonably be expected to constitute or result in a violation by the Company of, or a failure on the part of the Company to comply with, any Legal Requirement, or (ii) may reasonably be expected to give rise to any obligation on the part of the Company to undertake, or to bear all or any portion of the cost of, any material remedial action of any nature;

(c) Except as set forth in Schedule 4.8(c), the Company has not received, at any time since January 1, 2005, any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding (i) any actual, alleged, possible, or potential violation of, or failure to comply with, any Legal Requirement, or (ii) any actual, alleged, possible, or potential obligation on the part of any Person to undertake, or to bear all or any portion of the cost of, any remedial action of any nature; and

(d) Schedule 4.8(d) contains a complete and accurate list of each Governmental Authorization that is held by the Company or that otherwise relates to the business of, or to any

of the assets owned or used by, the Company. The Governmental Authorizations listed in Schedule 4.8(d) collectively constitute all of the Governmental Authorizations necessary to permit the Company to lawfully conduct and operate its businesses in the manner it currently conducts and operates such businesses in all material respects and to permit the Company to own and use their assets in the manner in which they currently own and use such assets. Each Governmental Authorization listed or required to be listed in Schedule 4.8(d) is valid and in full force and effect. Except as set forth on Schedule 4.8(d):

(i) The Company is in compliance with all of the terms and requirements of each Governmental Authorization identified or required to be identified in Schedule 4.8(d);

(ii) no event has occurred or circumstance exists that may (with or without notice or lapse of time) (A) constitute or result directly or indirectly in a violation of or a failure to comply with any term or requirement of any Governmental Authorization listed or required to be listed in Schedule 4.8(d), or (B) result directly or indirectly in the revocation, withdrawal, suspension, cancellation, or termination of, or any modification to, any Governmental Authorization listed or required to be listed in Schedule 4.8(d);

(iii) The Company has not received, at any time since January 1, 2005, any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding (A) any actual, alleged, possible, or potential violation of or failure to comply with any term or requirement of any Governmental Authorization, or (B) any actual, proposed, possible, or potential revocation, withdrawal, suspension, cancellation, termination of, or modification to any Governmental Authorization; and

(iv) all applications required to have been filed for the renewal of the Governmental Authorizations listed or required to be listed in Schedule 4.8(d) have been duly filed on a timely basis with the appropriate Governmental Bodies, and all other filings required to have been made with respect to such Governmental Authorizations have been duly made on a timely basis with the appropriate Governmental Bodies.

4.9. Legal Proceedings; Orders

(a) There is no pending Proceeding:

(i) that has been commenced by or against the Company or that otherwise relates to or may affect the business of, or any of the assets owned or used by, the Company; or

(ii) that challenges, or that may have the effect of preventing, delaying, making illegal, or otherwise interfering with, any of the transactions contemplated herein.

(b) To the Knowledge of Seller or the Company, (i) no such Proceeding has been threatened against the Company, and (ii) no event has occurred or circumstance exists that may give rise to or serve as a basis for the commencement of any such Proceeding.

(c) (i) There is no Order to which the Company, or any of its assets owned or used by it, is subject, (ii) the Company is not subject to any Order that relates to the business of, or any of the assets owned or used by, it, and (iii) to the Knowledge of Seller or the Company, no officer, director, agent, or employee of the Company is subject to any Order that prohibits such officer, director, agent, or employee from engaging in or continuing any conduct, activity, or practice relating to the business of the Company.

(d) The Company has not received, at any time since January 1, 2005, any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding any actual, alleged, possible, or potential violation of, or failure to comply with, any term or requirement of any Order to which the Company, or any of the assets owned or used by it, is or has been subject.

4.10. Contracts; No Defaults

(a) Schedule 4.10 contains a complete and accurate list of, and Seller has delivered to Buyer true and complete copies of:

(i) each Contract that involves performance of services or delivery of goods or materials by the Company of an amount or value in excess of US $100,000;

(ii) each Contract that involves performance of services or delivery of goods or materials to the Company of an amount or value in excess of US $50,000;

(iii) each Contract that was not entered into in the Ordinary Course of Business and that involves expenditures or receipts of the Company in excess of US $50,000;

(iv) each lease agreement, license, installment and conditional sale agreement, and other Contract affecting the ownership of, leasing of, title to, use of, or any leasehold or other interest in, any real or personal property (except personal property leases and installment and conditional sales agreements having a value per item or aggregate payments of less than US $25,000 and with terms of less than one year);

(v) each licensing agreement or other Contract with respect to patents, trademarks, copyrights, or other intellectual property, including agreements with current or former employees, consultants, or contractors regarding the appropriation or the non-disclosure of any of the Intellectual Property;

(vi) each joint venture, partnership, and other Contract (however named) involving a sharing of profits, losses, costs, or liabilities by the Company with any other Person;

(vii) each Contract between or including the Company and an Affiliate;

(viii) each Contract containing covenants that in any way purport to restrict the business activity of the Company or any Affiliate of the Company or limit the freedom of the Company or any Affiliate of the Company to engage in any line of business or to compete with any Person;

(ix) each written warranty, guaranty, and or other similar undertaking with respect to contractual performance extended by the Company other than in the Ordinary Course of Business; and

(x) each amendment, supplement, and modification (whether oral or written) in respect of any of the foregoing.

(b) Seller (and each Affiliate of Seller) does not have any rights under or any obligation or liability under and does not have the right to require or will not become subject to, any Contract that relates to the business of, or any of the assets owned or used by, the Company;

(c) To the Knowledge of Seller or the Company, no officer, director, agent, employee, consultant, or contractor of the Company is bound by any Contract that purports to limit the ability of such officer, director, agent, employee, consultant, or contractor to (i) engage in or continue any conduct, activity, or practice relating to the business of the Company, or (ii) assign to the Company or to any other Person any rights to any invention, improvement, or discovery;

(d) With respect to each Contract identified or required to be identified in Schedule 4.10, (i) the Contract is legal, valid, binding, enforceable and in full force and effect; (ii) the Contract will continue to be legal, valid, binding, enforceable and in full force and effect on identical terms following the consummation of the transactions contemplated hereby; (iii) no party is in breach or default, and no event has occurred which with notice or lapse of time would constitute a breach or default, or permit termination, modification or acceleration, under the Contract; and (iv) no party has repudiated any provision of the Contract;

(e) The Company has not given to or received from any other Person, at any time since January 1, 2005, any notice or other communication (whether oral or written) regarding any actual, alleged, possible, or potential violation or breach of, or default under, any Contract; and

(f) There are no renegotiations of, attempts to renegotiate, or outstanding rights to renegotiate any material amounts paid or payable to the Company under current or completed Contracts with any Person and, to the Knowledge of Seller or the Company, no such Person has made written demand for such renegotiation.

4.11. Insurance.

(a) Seller has delivered to Buyer and Schedule 4.11(a) contains a complete and accurate list of:

(i) copies of all policies of insurance to which any officer or the Company is a party or under which the Company, or any officer or director of the Company, is or has been covered at any time within the five years preceding the date of this Agreement; and

(ii) copies of all pending applications for policies of insurance.

(b) Schedule 4.11(b) describes:

(i) any self-insurance arrangement by or affecting the Company (including any retroactive premium adjustments or other loss-sharing arrangements), including any reserves established thereunder; and

(ii) any contract or arrangement, other than a policy of insurance, for the transfer or sharing of any risk by the Company.

4.12. Environmental Matters

(a) The Company is in full compliance with, and has not been and are not in violation of or liable under, any Environmental Law. The Company has not received any actual or threatened order, notice, or other communication from (i) any Governmental Body or private citizen acting in the public interest, or (ii) the current or prior owner or operator of any Facilities, of any actual or potential violation or failure to comply with any Environmental Law, or of any actual or threatened obligation to undertake or bear the cost of any Environmental, Health, and Safety Liabilities with respect to any of the Facilities or any other properties or assets (whether real, personal, or mixed) in which the Company has had an interest, or with respect to any property or Facility at or to which Hazardous Materials were generated, manufactured, refined, transferred, imported, used, or processed by the Company, or any other Person for whose conduct they are or may be held responsible, or from which Hazardous Materials have been transported, treated, stored, handled, transferred, disposed, recycled, or received.

(b) There are no pending or, to the Knowledge of Seller or the Company, threatened, claims, Encumbrances, or other restrictions of any nature resulting from any Environmental, Health, and Safety Liabilities or arising under or pursuant to any Environmental Law, with respect to or affecting any of the Facilities or any other properties and assets (whether real, personal, or mixed) in which the Company has or had an interest.

(c) The Company has not received any citation, directive, inquiry, notice, Order, summons, warning, or other communication that relates to Hazardous Activity, Hazardous Materials, or any alleged, actual, or potential violation or failure to comply with any Environmental Law, or of any alleged, actual, or potential obligation to undertake or bear the cost of any Environmental, Health, and Safety Liabilities with respect to any of the Facilities or any other properties or assets (whether real, personal, or mixed) in which the Company had an interest, or with respect to any property or facility to which Hazardous Materials generated, manufactured, refined, transferred, imported, used, or processed by the Company has been transported, treated, stored, handled, transferred, disposed, recycled, or received.

(d) The Company does not have any Environmental, Health, and Safety Liabilities with respect to the Facilities or, to the Knowledge of the Company, with respect to any other properties and assets (whether real, personal, or mixed) in which the Company (or any predecessor), has or had an interest.

(e) Except as permitted by applicable Environmental Law, there are no Hazardous Materials present on or in the Environment at the Facilities, including any Hazardous Materials contained in barrels, above or underground storage tanks, landfills, land deposits, dumps, equipment (whether moveable or fixed) or other containers, either temporary or permanent, and

deposited or located in land, water, sumps, or any other part of the Facilities, or incorporated into any structure therein or thereon. Neither the Company nor, to the Knowledge of Seller or the Company, any other Person, has permitted or conducted any Hazardous Activity with respect to the Facilities or any other properties or assets (whether real, personal, or mixed) in which the Company has or had an interest except in full compliance with all applicable Environmental Laws.

(f) There has been no Release or, to the Knowledge of Seller or the Company, Threat of Release, of any Hazardous Materials at or from the Facilities or at any other locations where any Hazardous Materials were generated, manufactured, refined, transferred, produced, imported, used, or processed by the Company, from or by the Facilities or from or by any other properties and assets (whether real, personal, or mixed) in which the Company has or had an interest.

(g) The Seller has delivered to Buyer true and complete copies and results of any reports, studies, analyses, tests, or monitoring possessed or initiated by the Seller or either of the Company pertaining to Hazardous Materials or Hazardous Activities in, on, or under the Facilities, or concerning compliance by the Company with Environmental Laws.

4.13. Employees

The Seller has provided to Buyer a complete and accurate list of the following information for each employee or director of the Company, including each employee on leave of absence or layoff status: name; job title; current compensation paid or payable.

4.14. Labor Relations; Compliance

Since January 1, 2005, the Company has not been nor is it presently a party to any collective bargaining or other labor Contract.

4.15. Certain Payments

Since January 1, 2005, neither the Company nor any director, officer, agent, or employee of the Company, or any other Person associated with or acting for or on behalf of the Company, has directly or indirectly (a) made any contribution, gift, bribe, rebate, payoff, influence payment, kickback, or other payment to any Person, private or public, regardless of form, whether in money, property, or services (i) to obtain favorable treatment in securing business, (ii) to pay for favorable treatment for business secured, (iii) to obtain special concessions or for special concessions already obtained, for or in respect of the Company or any affiliate of the Company, or (iv) in violation of any Legal Requirement, or (b) established or maintained any fund or asset that has not been recorded in the books and records of the Company.

4.16. Balance Sheet

Schedule 4.16 is a true and correct copy of the balance sheet of the Company as of September 30, 2010 (the "Balance Sheet"). The Balance Sheet fairly presents in all material respects the financial condition and operating results of the Company as of the dates and for the periods indicated therein. The balance sheet of the Company as of the Effective Date and as of

the Closing Date, prepared in accordance with the same accounting method as the Balance Sheet, will be substantially similar to the Balance Sheet, except revisions due to (a) the transfer of exploration licenses from the Company to PTI referenced in Section 4.4(a) above, (b) repayment of loans and borrowing as required under Section 7.4(k) and Section 7.4(l) below, or (c) the effect of operations of the Company arising out of the Ordinary Course of Business of the Company since September 30, 2010.

4.17. Disclosure

Except as disclosed in the Schedules to this Agreement, the statements contained in this ARTICLE 4 are correct and complete as of the date of this Agreement.

ARTICLE 5
REPRESENTATIONS OF BUYER

Buyer represents and warrants to Seller as follows:

5.1. Organization and Good Standing

Buyer is a company duly formed, validly existing, and in good standing under the laws of the Commonwealth of the Bahamas.

5.2. Authority; No Conflict

(a) This Agreement constitutes the legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with its terms. Upon the execution and delivery by Buyer of the Overriding Royalties, it will constitute the legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with their terms. Buyer has the unrestricted right, power, and authority to execute and deliver this Agreement and the Overriding Royalties, as the case may be, and to perform its obligations under this Agreement and the Overriding Royalties.

(b) Neither the execution and delivery of this Agreement by Buyer nor the consummation or performance of any of the transactions contemplated hereunder by Buyer will give any Person the right to prevent, delay, or otherwise interfere with any of the transactions contemplated hereunder pursuant to:

(i) any provision of Buyer's Organizational Documents;

(ii) any resolution adopted by the board of directors or the stockholders of Buyer;

(iii) any Legal Requirement or Order to which Buyer may be subject; or

(iv) any Contract to which Buyer is a party or by which Buyer may be bound.

(c) Buyer will not be required to obtain any Consent from any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any of the transactions contemplated hereunder except the Consents listed on Schedule 5.2(c).

5.3. Investment Intent

Buyer is acquiring the Shares for its own account and not with a view to their distribution within the meaning of Section 2(11) of the Securities Act. The offer and sale of the Shares by Seller and their purchase by Buyer in accordance with the terms of this Agreement is exempt from registration or qualification under the Securities Act and applicable state securities laws.

5.4. Certain Proceedings

There is no pending Proceeding that has been commenced against Buyer and that challenges, or may have the effect of preventing, delaying, making illegal, or otherwise interfering with, any of the transactions contemplated hereunder. To Buyer's Knowledge, no such Proceeding has been threatened.

5.5. Brokers or Finders

Buyer and its officers and agents have incurred no obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with this Agreement and will indemnify and hold Seller harmless from any such payment alleged to be due by or through Buyer as a result of the action of Buyer or its officers or agents.

5.6. Restrictions on Transferability of TA Stock

Upon filing and approval of an additional listing application with the NYSE Amex exchange relating to the TA Stock, the TA Stock will be tradable on the NYSE Amex exchange, subject to the restrictions as set forth in the Securities Act and the rules and regulations promulgated thereunder. Immediately following the execution date of this Agreement, TA agrees to file the additional listing application with the NYSE Amex and to take all actions necessary to obtain its approval within one year of the Closing Date.

5.7. Assignee of Buyer

To the extent Buyer assigns this Agreement as permitted in ARTICLE 11, such assignee will make the same representations and warranties as set forth in Section 5.2 through 5.5, inclusive.

ARTICLE 6
COVENANTS OF SELLER PRIOR TO CLOSING DATE

6.1. Operation of the Businesses of the Company

Between the Effective Date and the Closing Date, Seller will cause the Company to:

(a) conduct its business only in the Ordinary Course of Business;

(b) use its reasonable best efforts to preserve intact its current business organization and that of its subsidiaries, keep available the services of its current officers, employees, and agents, and maintain the relations and goodwill with suppliers, customers, landlords, creditors, employees, agents, and others having business relationships with it;

(c) not declare any dividend or make any distribution or payment of any kind to Seller or to any other Person except for payments in the Ordinary Course of Business;

(d) provide the Buyer with any requested information regarding Seller and the Company and consult with the Buyer on the manner of conduct of its business and take into account any reasonable requests of the Buyer;

(e) use reasonable endeavors to preserve the goodwill of its business;

(f) operate its business in accordance with its usual business practices as a going concern with all due care and in accordance with normal and prudent oilfield practice and in compliance with all Legal Requirements, licenses, permits and contracts which may apply;

(g) meet all of its routine obligations in the course of carrying on its business, including (without limitation) ensuring that any and all obligations with respect to the Licenses are fulfilled;

(h) not acquire or dispose of any material asset other than (with the prior consent of the Buyer, which will not be unreasonably withheld) except for the acquisition or sale of tangible assets in the Ordinary Course of Business;

(i) not allow for any Encumbrance to be placed on any assets;

(j) promptly notify the Buyer of any Action or Material Adverse Change which may occur, be threatened, brought, asserted or commenced against it, its officers or directors, involving its business or assets;

(k) not enter into, or amend in a material respect, or terminate, any Material Contract, or enter into (or make any binding offer to enter into) any other obligation which is not in the Ordinary Course of Business;

(l) not enter into any employment contract or hire any new employee, or renew or amend any existing material employment contract;

(m) not make any Tax election or settle or compromise any income tax liability, unless that election, settlement or compromise is required by law and is supported by an opinion of counsel, or is in the Ordinary Course of Business;

(n) not make any change in the accounting methods, principles or practices used by it at the Effective Date, save for any changes required by Law;

(o) not cancel (or enter into any arrangement to cancel) any indebtedness for money owed to it, or waive any claim or right;

(p) not lease, license or otherwise dispose of any of its assets, except in the Ordinary Course of Business and at fair value;

(q) inform Buyer of any claim, action or Proceeding and not settle any claim, action or Proceeding without Consent of Buyer;

(r) not make any capital expenditure in excess of US $100,000 or undertake any extraordinary commitments, other than as previously approved in writing by Buyer;

(s) maintain (and where necessary use reasonable efforts to renew) each of its insurance policies and promptly notify the Buyer if any renewal proposal is not accepted by the relevant insurer;

(t) not raise any new financial accommodation (but this does not prevent the use of existing facilities, in the Ordinary Course of Business);

(u) not:

(i) increase, reduce or otherwise alter its share capital or grant any options for the issue of shares or other securities;

(ii) declare or pay a dividend;

(iii) make a distribution or revaluation of assets; or

(iv) buy back or make any offer to buy back its shares;

(v) carry out reasonably required repairs and maintenance to the Equipment in accordance with usual commercial practice and standards of maintenance for the industry;

(w) not enter into any abnormal or unusual transaction which relates to or adversely affects its business;

(x) not grant any license, assignment or other right or interest in respect of intellectual property, other than in the Ordinary Course of Business; and

(y) not disclose information, which is owned or used by it in relation to its business or assets, to any third party other than in the Ordinary Course of Business or as required by any Legal Requirement or by the decision of a court or tribunal or similar body of competent jurisdiction.

6.2. Required Approvals

As promptly as practicable after the date of this Agreement, Seller will, and will cause the Company and its Subsidiaries to, make all filings required by Legal Requirements to be made in order to consummate the transactions contemplated hereunder, including but not limited to

filings made with the Competition Board, EMRA and GDPA. Between the date of this Agreement and the Closing Date, Seller will, and will cause the Company to, cooperate with Buyer with respect to all filings that Buyer elects to make or is required by Legal Requirements to make in connection with the transactions contemplated hereunder. Seller will promptly provide copies of all such filings to Buyer.

6.3. Access to Books and Records

Between the date of this Agreement and the Closing Date, Seller will grant to Buyer and its designated representatives (including third party accountants, attorneys, agencies and consultants) full and complete access to the books and records (financial, legal, contractual, engineering and otherwise) of the Company, such access to be granted at the offices of Seller, the Company or the Branch, as appropriate.

6.4. Notification

Between the date of this Agreement and the Closing Date, Seller will promptly notify Buyer in writing if Seller becomes aware of any fact or condition that causes or constitutes a breach of any of Seller's representations and warranties as of the date of this Agreement, or if Seller becomes aware of the occurrence after the date of this Agreement of any fact or condition that would (except as expressly contemplated by this Agreement) cause or constitute a breach of any such representation or warranty had such representation or warranty been made as of the time of occurrence or discovery of such fact or condition. In addition, Seller will, or will cause the Company to, provide to Buyer the following:

(a) Advance notice of spudding of a well;

(b) Advance notice of construction of Facilities;

(c) Any reports or communications routinely prepared in the Ordinary Course of Business by the Company including, without limitation, the following:

(i) Daily drilling reports;

(ii) Periodic production reports;

(iii) Periodic cost/expenditure reports;

(iv) Accounting reports including A/P and A/R;

(d) Any communication to or from a Government Body.

ARTICLE 7
CONDITIONS PRECEDENT TO BUYER'S OBLIGATION TO CLOSE

Buyer's obligation to purchase the Shares and to take the other actions required to be taken by Buyer at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Buyer, in whole or in part):

7.1. Accuracy of Representations

Each of Seller's representations and warranties in this Agreement must have been accurate in all material respects as of the date of this Agreement, and must be accurate in all material respects as of the Closing Date as if made on the Closing Date.

7.2. Seller's Performance

(a) All of the covenants and obligations that Seller is required to perform or to comply with pursuant to this Agreement at or prior to the Closing must have been duly performed and complied with in all material respects.

(b) Seller shall have delivered to Buyer on or before the Closing Date:

(i) a share transfer form in relation to the Shares, in form and substance satisfactory to the Buyer, executed by Seller in favor of Buyer;

(ii) the share certificates representing the Shares in the names of Seller or an indemnity, in form and substance satisfactory to Buyer, for any lost certificates;

(iii) the register and minute books of the Company (written up to the Closing Date);

(iv) true and correct copies of the certificate of incorporation, any certificates of incorporation on change of name, and the bylaws of the Company and the source file of the Branch filed with the GDPA, each as amended to the Closing Date, certified by an authorized officer of Seller;

(v) written resolutions of the directors of the Company in form and substance satisfactory to Buyer, authorizing the transfer of the Shares to Buyer and the entry of Buyer in the Register of Members of the Company, certified by an authorized officer of Seller;

(vi) a certificate executed by Seller representing and warranting to Buyer that, with respect to each of Seller's representations and warranties (concerning each of the Seller and the Company) in this Agreement, either (i) such representation or warranty is true and accurate in all material respects as of the Closing Date or (ii) disclosing to what extent such representation or warranty would no longer be true if made on the Closing Date.

7.3. Consents

All Consents required to be obtained in order for the transactions contemplated by this Agreement to be effected (which include all Consents from the Turkish Regulatory Authorities) must have been obtained in form satisfactory to Buyer and must be in full force and effect.

7.4. Additional Documents

Each of the following documents must have been delivered to Buyer or as otherwise appropriate:

(a) an opinion of the Hamm Law Firm, counsel to the Seller, dated the Closing Date, in a form reasonably acceptable to Buyer;

(b) one executed, undated, blank stock power for each stock certificate representing the TA Stock to Buyer;

(c) termination of all the agreements set forth on Schedule 7.4(c), such terminations to be in form satisfactory to Buyer;

(d) the records and the common seal or company stamp (if any) of the Company and the Branch;

(e) duly completed bank authorities directed to the bankers of the Company and the Branch authorizing those persons nominated by Buyer to be authorized signatories of each of its bank accounts following the Closing Date and terminating the authority of those present signatories that are not nominated by the Buyer to be authorized signatories;

(f) written resignations of the Resigning Directors as directors and/or secretaries of the Company and/or Branch, acknowledging that they have no Claim for fees, entitlements, salary or compensation for loss of office or otherwise against the Company or any Affiliate, and that there is no agreement, arrangement or understanding under which the Company has, or could have, any obligation to them;

(g) a certified copy of a resolution of directors of the Company resolving that, subject to the payment of duty (where required) and to Closing occurring, the transfer of the Shares to the Buyer will be registered (i) subject to the constitution of the Company and subject to them consenting to act, each of the Incoming Directors be appointed to the Board of Directors of the Company, and the resignation of the Resigning Directors from the Board be accepted, all with effect from Closing, so that a properly constituted Board of Directors is in existence at all times; (ii) subject to the constitution of the Company and to that Person consenting to act, a person designated by Buyer be appointed as company secretary of the Company, and the resignation of the Resigning Directors (as applicable) as secretary be accepted, all with effect from Closing; (iii) a person designated by Buyer be appointed as the legal representative of the Branch with effect from Closing; and (iv) the registered office of the Company be changed to an address designated by Buyer and the registered office of the Branch be changed to an address designated by Buyer with effect from Closing;

(h) a letter from the tax and social security office in Turkey evidencing that the Branch has no overdue tax and social security liabilities dated no earlier than five (5) business days prior to Closing;

(i) revocation by the principals of all powers of attorney set forth on Schedule 7.4(i) (the "Powers of Attorney"), with the Powers of Attorney to be terminated upon the Buyer's registration of new powers of attorney;

(j) if requested by Buyer, a new power of attorney executed by Seller to a new legal representative of the Branch as designated by Buyer;

(k) (i) all bank loans or other borrowings in respect of which the Company or the Branch is shown as a borrower have been repaid in full, all liens, security interests, charges, mortgages, deeds of trust or other encumbrances (if any) created or existing in connection therewith have been released or discharged, and the Company and the Branch have been released in full by the relevant lender or secured party in form and substance satisfactory to Buyer, or (ii) all such bank loans or other borrowings and all such encumbrances (if any) have otherwise been resolved in a manner satisfactory to Buyer;

(l) (i) all loan agreements or general credit agreements with various banks or lenders to which the Company or the Branch is a party (including, without limitation, those three general credit agreements set forth on Schedule 7.4(l)) and all documents executed or delivered in connection therewith have either been terminated, all liens, security interests, charges, mortgages, deeds of trust or other encumbrances (if any) created or existing in connection therewith have been released or discharged, and the Company and the Branch have been released in full from their obligations thereunder in form and substance satisfactory to Buyer, or (ii) all such loan agreements or general credit agreements and all such encumbrances (if any) have otherwise been resolved in a manner satisfactory to Buyer;

(m) an opinion of a reputable Turkish law firm dated the Closing Date, in form and substance satisfactory to Buyer;

(n) confirmation that Mehmet C. Ekinalan, the current resident representative of the Company in Turkey, will continue to serve in such capacity after Closing under his current compensation as set forth on Schedule 4.7 until such time as a new resident representative as Buyer may designate has been approved by all applicable Government Bodies (including, without limitation, the GDPA and the Trade Ministry of Turkey) and announced in the Trade Registry Gazette;

(o) A disclaimer and release by Michael Reinart of any claims against TBNG, Buyer, TransAtlantic and their Affiliates on account of any consulting, employment, compensation or other agreement or arrangement between TBNG and himself, any company owned by him or in which he has an interest or any of his Affiliates, in form and substance satisfactory to Buyer;

(p) A disclaimer and release by Mustafa Yuvuz of any claims against TBNG, Buyer, TransAtlantic and their Affiliates on account of any consulting, employment, compensation or other agreement or arrangement between TBNG and himself, any company owned by him or in which he has an interest or any of his Affiliates, in form and substance satisfactory to Buyer; and

(q) such documents as Buyer may reasonably request for the purpose of (i) evidencing the accuracy of Seller's representations and warranties, (ii) evidencing the performance by Seller of, or the compliance by Seller with, any covenant or obligation required

to be performed or complied with by Seller, (iii) evidencing the satisfaction of any condition referred to in this ARTICLE 7, or (iv) otherwise facilitating the consummation or performance of any of the transactions contemplated hereunder.

7.5. No Proceedings

Since the date of this Agreement, there must not have been commenced or threatened against Seller, or against any Person affiliated with Seller, any Action or Proceeding (a) involving any challenge to, or seeking damages or other relief in connection with, any of the transactions contemplated hereunder, or (b) that may have the effect of preventing, delaying, making illegal, or otherwise interfering with any of the transactions contemplated hereunder.

7.6. No Claim Regarding Stock Ownership or Sale Proceeds

There must not have been made or threatened by any Person any claim asserting that such Person (a) is the holder or the beneficial owner of, or has the right to acquire or to obtain beneficial ownership of, any stock of, or any other voting, equity, revenue, profits, or ownership interest in, the Company or the Branch, or (b) is entitled to all or any portion of the Purchase Price payable for the Shares.

ARTICLE 8
CONDITIONS PRECEDENT TO SELLER'S OBLIGATION TO CLOSE

Seller's obligation to sell the Shares and to take the other actions required to be taken by Seller at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Seller, in whole or in part):

8.1. Accuracy of Representations

Each of Buyer's representations and warranties in this Agreement must have been accurate in all material respects as of the date of this Agreement and must be accurate in all material respects as of the Closing Date as if made on the Closing Date.

8.2. Buyer's Performance

(a) All of the covenants and obligations that Buyer is required to perform or to comply with pursuant to this Agreement at or prior to the Closing must have been performed and complied with in all material respects.

(b) Buyer shall have delivered to Seller or as otherwise appropriate, on or before the Closing Date:

(i) the TA Stock;

(ii) the Overriding Royalties (to Seller or its assigns); and

(iii) a certificate executed by Buyer representing and warranting to Buyer with respect to each of Seller's representations and warranties in this Agreement either (i) such

representation or warranty is true and accurate in all material respects as of the Closing Date or (ii) disclosing to what extent such representation or warranty would no longer be true if made on the Closing Date.

8.3. Consents

Each of the Consents required to be obtained in order for the transactions contemplated by this Agreement to be effected must have been obtained and must be in full force and effect.

8.4. Additional Documents

Buyer must have caused the following documents to be delivered to Seller:

(a) an opinion of counsel to Buyer, dated the Closing Date, in a form reasonably acceptable to Seller; and

(b) such documents as Seller may reasonably request for the purpose of (i) evidencing the accuracy of any representation or warranty of Buyer, (ii) evidencing the performance by Buyer of, or the compliance by Buyer with, any covenant or obligation required to be performed or complied with by Buyer, (iii) evidencing the satisfaction of any condition referred to in this ARTICLE 8, or (iv) otherwise facilitating the consummation of any of the transactions contemplated hereunder.

8.5. No Injunction

There must not be in effect any Legal Requirement or any injunction or other Order that (a) prohibits the sale of the Shares by Seller to Buyer, and (b) has been adopted or issued, or has otherwise become effective, since the date of this Agreement.

ARTICLE 9
TERMINATION

9.1. Termination Events

This Agreement may, by notice given prior to or at the Closing, be terminated:

(a) by either Buyer or Seller if a material breach or violation of any provision of this Agreement has been committed by the other party and such breach or violation has not been cured or waived;

(b) by Buyer (i) if the certificate provided by Seller pursuant to Section 7.2(b)(iii) describes any change or modification to any representation or warranty which arises to a Material Adverse Change, (ii) if any of the conditions in ARTICLE 7 has not been satisfied as of the Closing Date or (iii) if satisfaction of such a condition is or becomes impossible (other than through the failure of Buyer to comply with its obligations under this Agreement) and Buyer has not waived such condition on or before the Closing Date;

(c) by Seller, if any of the conditions in ARTICLE 8 has not been satisfied as of the Closing Date or if satisfaction of such a condition is or becomes impossible (other than through the failure of Seller to comply with their obligations under this Agreement) and Seller has not waived such condition on or before the Closing Date;

(d) by mutual consent of Buyer and Seller; or

(e) by either Buyer or Seller if the Closing has not occurred (other than through the failure of any party seeking to terminate this Agreement to comply fully with its obligations under this Agreement) on or before the Closing Date or such later date as the parties may agree upon.

9.2. Effect of Termination

Each party's right of termination under Section 9.1 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 9.1, all further obligations of the parties under this Agreement will terminate, except that the obligations in ARTICLE 10 will survive; provided, however, that if this Agreement is terminated by a party because of the breach of the Agreement by the other party or because one or more of the conditions to the terminating party's obligations under this Agreement is not satisfied as a result of the other party's failure to comply with its obligations under this Agreement, the terminating party's right to pursue all legal remedies will survive such termination unimpaired.

ARTICLE 10
INDEMNIFICATION; REMEDIES

10.1. Survival

All representations in this Agreement will survive the Closing.

10.2. Indemnification and Payment of Damages by Seller

Seller will indemnify and hold harmless Buyer, TransAtlantic and each of their directors, officers, shareholders, employees, agents and Affiliates for, and will pay to the Buyer, the amount of any Damages (defined below) arising from:

(a) the inaccuracy of any representation made by Seller in ARTICLE 3 and ARTICLE 4 of this Agreement;

(b) any breach by Seller of any covenant or obligation of Seller in this Agreement;

(c) any claim by any Governmental Body, including any Turkish tax authority, that there are Taxes owed by the Company for any period prior to the Effective Date other than Taxes accrued in the Ordinary Course of Business;

(d) any Proceeding, whether instituted before or after the Effective Date, arising from or in respect of facts, circumstances, acts, omissions or matters relating to the period prior to Closing;

(e) any Liability or claim arising from or in respect of any facts, circumstances, acts, omissions or matters relating to the period prior to the Effective Date, including claims of, or Liability to, current or former employees;

(f) without limiting the foregoing, any Proceeding, Liability or claim arising from or in respect of any claim by Oymen Sayer or his estate, Cem Sayer (or Cam Sayer), Aladdin-Middle East, Ltd. or any of their Affiliates in the ownership of the Company, the predecessor(s)-in-interest (if any) of the Company, the Branch or any of the assets owned by the Company or the Branch; or

(g) without limiting the foregoing, any Proceeding, Liability or claim arising from or in respect of the indemnification policy set forth in the Organizational Minutes of the Corporation and referenced in that certain Resolution of the Board of Directors, Thrace Basin Natural Gas Corporation – Turkey, a BVI corporation as of the 1st day of March, 1997.

For purposes of this Agreement the term "Damages" shall mean all costs, losses (including diminution in value), liabilities, deficiencies, claims and expenses (which include interest, penalties, cost of mitigation, attorney's fees and amounts paid in investigation, defense or settlement of any claim or Liability).

10.3. Indemnification and Payment of Damages by Buyer

Buyer will indemnify and hold harmless Seller for, and will pay to Seller the amount of any Damages arising, directly or indirectly, from or in connection with (a) any breach of any representation or warranty made by Buyer in this Agreement or in any certificate delivered by Buyer pursuant to this Agreement, or (b) any breach by Buyer of any covenant or obligation of Buyer in this Agreement. Buyer further indemnifies and holds harmless Seller from all claims relating to the Company that may arise from operations after the Closing Date.

10.4. Time Limitation

If the Closing occurs, neither party will have any liability (for indemnification or otherwise) with respect to any representation or warranty, or covenant or obligation to be performed and complied unless on or before the expiration of three (3) years from the Closing Date, the indemnified party notifies the other party of a claim specifying the factual basis of that claim in reasonable detail to the extent then known by the indemnified party; provided, however, the representations, warranties, covenants and obligations regarding (i) taxes shall continue until the applicable statute of limitations and (ii) due authorization, valid formation, valid existence, and legal compliance of Seller, the Company (including the Branch) and Seller's ownership of the Shares and the Company (including the Branch) free and clear of all Encumbrances shall continue indefinitely.

10.5. Procedure for Indemnification – Third Party Claims

(a) Promptly after receipt by an indemnified party under Section 10.2 or Section 10.3 of notice of the commencement of any Proceeding against it, such indemnified party will, if a claim is to be made against an indemnifying party under such Section, give notice to the indemnifying party of the commencement of such claim, but the failure to notify the indemnifying party will not relieve the indemnifying party of any liability that it may have to any indemnified party, except to the extent that the indemnifying party demonstrates that the defense of such action is prejudiced by the indemnifying party's failure to give such notice.

(b) If any Proceeding referred to in Section 10.5 is brought against an indemnified party and it gives notice to the indemnifying party of the commencement of such Proceeding, the indemnifying party will, unless the claim involves Taxes, be entitled to participate in such Proceeding and, to the extent that it wishes (unless (i) the indemnifying party is also a party to such Proceeding and the indemnified party determines in good faith that joint representation would be inappropriate, or (ii) the indemnifying party fails to provide reasonable assurance to the indemnified party of its financial capacity to defend such Proceeding and provide indemnification with respect to such Proceeding), to assume the defense of such Proceeding with counsel satisfactory to the indemnified party and, after notice from the indemnifying party to the indemnified party of its election to assume the defense of such Proceeding, the indemnifying party will not, as long as it diligently conducts such defense, be liable to the indemnified party under this ARTICLE 10 for any fees of other counsel or any other expenses with respect to the defense of such Proceeding, in each case subsequently incurred by the indemnified party in connection with the defense of such Proceeding, other than reasonable costs of investigation. If the indemnifying party assumes the defense of a Proceeding, (i) it will be conclusively established for purposes of this Agreement that the claims made in that Proceeding are within the scope of and subject to indemnification; (ii) no compromise or settlement of such claims may be effected by the indemnifying party without the indemnified party's consent unless (A) there is no finding or admission of any violation of Legal Requirements or any violation of the rights of any Person and no effect on any other claims that may be made against the indemnified party, and (B) the sole relief provided is monetary damages that are paid in full by the indemnifying party; and (iii) the indemnified party will have no liability with respect to any compromise or settlement of such claims effected without its consent. If notice is given to an indemnifying party of the commencement of any Proceeding and the indemnifying party does not, within ten days after the indemnified party's notice is given, give notice to the indemnified party of its election to assume the defense of such Proceeding, the indemnifying party will be bound by any determination made in such Proceeding or any compromise or settlement effected by the indemnified party. Each indemnified party hereby grants to the indemnifying party, to the extent permitted by law or by the terms of the indemnified party's insurance policies then in force, a right of subrogation to proceed against the particular third party or parties in question, and seek to recover therefrom any amounts to which such indemnifying party may be lawfully entitled.

(c) Notwithstanding the foregoing, if an indemnified party determines in good faith that there is a reasonable probability that a Proceeding may adversely affect it or its affiliates other than as a result of monetary damages for which it would be entitled to indemnification under this Agreement, the indemnified party may, by notice to the indemnifying party, assume the exclusive right to defend, compromise, or settle such Proceeding, but the indemnifying party will not be bound by any determination of a Proceeding so defended or any compromise or settlement effected without its consent (which may not be unreasonably withheld).

(d) Seller and Buyer, in their capacity as the indemnifying party, hereby consent to the non-exclusive jurisdiction of any court in which a Proceeding is brought against any indemnified person for purposes of any claim that an indemnified person may have under this Agreement with respect to such Proceeding or the matters alleged therein, and agree that process may be served on Seller with respect to such a claim anywhere in the world.

10.6. Procedure for Indemnification – Other Claims

A claim for indemnification for any matter not involving a third-party claim may be asserted by notice to the party from whom indemnification is sought.

10.7. Set Off.

Seller hereby agrees and acknowledges that Buyer may, at its reasonable discretion, offset any or all amounts of Damages against any amount payable to Seller pursuant to the Overriding Royalties or otherwise. Seller agrees that Buyer may withhold any such payable amount based on claims for indemnification made in good faith by Buyer pending final resolution of such claims by settlement, arbitration, final judgments or otherwise.

10.8. Maintenance of Minimum Net Worth

Seller agrees to maintain a minimum net worth of at least Ten Million and No/100 U.S. Dollars (US $10,000,000.00) until the later to occur of (i) three (3) years from the Closing Date and (ii) the date on which the applicable statute of limitations bars any claim for Taxes.

10.9. Exclusive Remedy

Seller and Buyer acknowledge and agree that their respective sole and exclusive remedy with respect to any and all claims relating to the subject matter of this Agreement shall be pursuant to the indemnification provisions set forth in this ARTICLE 10, subject to the limitations contained in Sections 10.4.

ARTICLE 11
ASSIGNMENT

11.1. Assignment of Agreement

Seller acknowledges and agrees that Buyer may assign its rights to acquire the Shares to a third party who is either (i) an affiliate of Buyer or (ii) a newly formed entity for which Buyer (or its affiliates) have engaged in significant formation and financing activities, the purpose of which entity is to acquire the Shares. Seller agrees that Buyer may, in its sole discretion, assign its rights hereunder to purchase the Shares. Prior to Closing, Buyer will notify Seller of any such assignment and the identity of such assignee(s). Upon such notice any such assignee shall be deemed a third party beneficiary of this Agreement with full independent rights to (a) rely on the representations, warranties and covenants contained herein and (b) enforce all rights and

obligations hereunder, as to the Shares assigned to such assignee. From and after the date of any notice regarding an assignee, the term "Buyer" shall be deemed to include TransAtlantic Worldwide, Ltd. and any such assignee(s). Any such assignment shall not relieve Buyer of any of its obligations hereunder.

ARTICLE 12
GENERAL PROVISIONS

12.1. Expenses

Each party to this Agreement will bear its respective expenses incurred in connection with the preparation, execution, and performance of this Agreement, including all fees and expenses of agents, representatives, counsel, and accountants. In the event of termination of this Agreement, the obligation of each party to pay its own expenses will be subject to any rights of such party to seek recovery of such expenses arising from a breach of this Agreement by another party.

12.2. Public Announcements

Neither Buyer nor Seller will issue any public announcement or similar publicity with respect to this Agreement without the prior written consent of the other party; provided, however, that either Buyer or Seller may make any public disclosure they believe in good faith, based upon advice of counsel, is required by any Legal Requirement (in which case the disclosing party will advise the other party prior to making the disclosure). Seller and Buyer will consult with each other concerning the means by which the Company's employees, customers, and suppliers and others having dealings with the Company will be informed of the transactions contemplated hereby, and Buyer will have the right to be present for any such communication.

12.3. Confidentiality

Between the date of this Agreement and the Closing Date, Buyer and Seller will maintain in confidence, and will cause the directors, officers, employees, agents, and advisors of Buyer and the Company to maintain in confidence, any written, oral, or other information obtained in confidence from another party or the Company in connection with this Agreement or the transactions contemplated hereby, unless (a) such information is already known to such party or to others not bound by a duty of confidentiality or such information becomes publicly available through no fault of such party, (b) the use of such information is necessary or appropriate in making any filing or obtaining any consent or approval required for the consummation of the transactions contemplated hereby, or (c) the furnishing or use of such information is required by any Legal Requirement. Notwithstanding the foregoing, an announcement may be made to employees of the Company regarding this Agreement and the transactions contemplated hereby.

If the transactions contemplated hereby are not consummated, each party will return or destroy as much of such written information as the other party may reasonably request.

12.4. Notices

All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by facsimile (with written confirmation of receipt) or electronic mail, provided that a copy is mailed by registered mail, return receipt requested, or (c) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses and facsimile numbers set forth below (or to such other addresses and facsimile numbers as a party may designate by notice to the other parties). A copy of any notice, consent, waiver or other communications shall also be sent by electronic mail to the recipient's address set forth below; provided, however, that the failure to comply with this requirement shall not affect the effectiveness of such notice, consent, waiver or other communication if the other provisions of this Section 12.4 are followed.

Seller:

Mustafa Mehmet Corporation
ATTN: Harvey R. Clapp, III, President
5030 Anchor Way
Christiansted, Vl 00820
Phone: 340-719-3885
Facsimile No.: 340-719-3888
E-Mail: hrclapp3@aol.com

with copy to:

Donovan M. Hamm, Jr., Esq.
Hamm Law Firm
5030 Anchor Way
Christiansted, VI 00820-4521
Phone: 340-773-6955
Facsimile No.: 340-773-3092
E-Mail: dmh@hammlawvi.com

Buyer:

TransAtlantic Worldwide, Ltd.
ATTN: Matthew McCann
5910 N. Central Expressway, Suite 1755
Dallas, Texas 75206
Phone: 214-220-4323
Fax: 214-265-4711
E-Mail: matt.mccann@tapcor.com

with a copy to:

Scott C. Larsen
Executive Vice President

TransAtlantic Petroleum Ltd.
5901 N. Central Expressway, Suite 1755
Dallas, TX 75206
Phone: 214-220-4323
E-Mail: scott.larsen@tapcor.com

12.5. Further Assurances

The parties agree (a) to furnish upon request to each other such further information, (b) to execute and deliver to each other such other documents, and (c) to do such other acts and things, all as the other party may reasonably request for the purpose of carrying out the intent of this Agreement and the documents referred to in this Agreement. Without limiting the foregoing, Seller shall, at its expense, use its best efforts and fully cooperate with Buyer and furnish such further information, execute and deliver such further documents and do such other acts and things to promptly complete the registration of the transfer of the Shares from Seller to Buyer and to promptly update the Branch's source file and trade registry records and information of the Branch's resident representative and address with all applicable Government Bodies (including, without limitation, the GDPA, the EMRA and the Trade Ministry of Turkey).

12.6. Waiver

The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither the failure nor any delay by any party in exercising any right, power, or privilege under this Agreement or the documents referred to in this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement or the documents referred to in this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.

12.7. Schedules

In the event of any inconsistency between the statements in the body of this Agreement and those in the Schedules attached hereto, the statements in the body of this Agreement will control.

12.8. Assignments, Successors, and No Third-Party Rights

Except as provided in ARTICLE 11,

(a) neither party may assign any of its rights under this Agreement without the prior consent of the other parties;

(b) this Agreement will apply to, be binding in all respects upon, and inure to the benefit of the successors and permitted assigns of the parties;

(c) nothing expressed or referred to in this Agreement will be construed to give any Person other than the parties to this Agreement any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement; and

(d) this Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the parties to this Agreement and their successors and assigns.

12.9. Severability

If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

12.10. Section Headings; Construction

The headings of Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All references to "Section" or "Sections" refer to the corresponding Section or Sections of this Agreement. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. Unless otherwise expressly provided, the word "including" does not limit the preceding words or terms.

12.11. Time of Essence

With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

12.12. Governing Law

This Agreement and the rights and obligations of the parties under this Agreement shall be governed by and construed in accordance with the laws of the State of New York, including section 5-1401 of the General Obligations Law of such state, but otherwise without reference to the laws of such jurisdiction regarding conflicts of law.

12.13. Dispute Resolution

(a) **Notification.** If either Seller or Buyer desires to submit a dispute, controversy or claim of any kind or nature under or in connection with this Agreement (a "Dispute") for resolution, such party shall commence the dispute resolution process by providing the other parties to the Dispute written notice of the Dispute ("Notice of Dispute"). The Notice of Dispute shall identify the parties to the Dispute and contain a brief statement of the nature of the Dispute and the relief requested. The submission of a Notice of Dispute shall toll any applicable statutes of limitation related to the Dispute, pending the conclusion or abandonment of dispute resolution proceedings under this Section 12.13.

(b) **Negotiations.** Except as provided in Section 10.5(d), the parties to the Dispute shall seek to resolve any Dispute by negotiation between Senior Executives. A "Senior Executive" means any individual who has authority to negotiate the settlement of the Dispute for a party. Within thirty (30) days after the date of the receipt by each party to the Dispute of the Notice of Dispute (which notice shall request negotiations among Senior Executives), the Senior Executives representing the parties to the Dispute shall meet at a mutually acceptable time and place to exchange relevant information in an attempt to resolve the Dispute. If a Senior Executive intends to be accompanied at the meeting by an attorney, each other party's Senior Executive shall be given written notice of such intention at least three (3) days in advance and may also be accompanied at the meeting by an attorney. Notwithstanding the above, any party may initiate arbitration proceedings pursuant to Section 12.13(c) concerning such Dispute.

(c) **Arbitration.** Except as provided in Section 10.5(d), any Dispute not finally resolved by alternative dispute resolution procedures set forth in Section 12.13(b) shall be exclusively and definitively resolved through final and binding arbitration, it being the intention of the parties that this is a broad form arbitration agreement designed to encompass all possible disputes.

(i) Rules. The arbitration shall be conducted in accordance with the Rules of Arbitration of the International Chamber of Commerce (as then in effect) (the "Rules").

(ii) Number of Arbitrators. The arbitration shall be conducted by three arbitrators, unless all parties to the Dispute agree to a sole arbitrator within thirty (30) days after the filing of the arbitration. For greater certainty, for purposes of this Section 12.13(c), the filing of the arbitration means the date on which the claimant's request for arbitration is received by the other parties to the Dispute.

(iii) Intentionally Deleted.

(iv) Consolidation. If the parties initiate multiple arbitration proceedings, the subject matters of which are related by common questions of law or fact and which could result in conflicting awards or obligations, then all such proceedings may be consolidated into a single arbitral proceeding.

(v) Place of Arbitration. Unless otherwise agreed by all parties to the Dispute, the place of arbitration shall be New York, New York, United States of America.

(vi) Language. The arbitration proceedings shall be conducted in the English language and the arbitrator(s) shall be fluent in the English language.

(vii) Entry of Judgment. The award of the arbitral tribunal shall be final and binding. Judgment on the award of the arbitral tribunal may be entered and enforced by any court of competent jurisdiction.

(viii) Notice. All notices required for any arbitration proceeding shall be deemed properly given if sent in accordance with Section 12.4.

(ix) Qualifications and Conduct of the Arbitrators. All arbitrators shall be and remain at all times wholly impartial, and, once appointed, no arbitrator shall have any *ex parte* communications with any of the parties to the Dispute concerning the arbitration or the underlying Dispute other than communications directly concerning the selection of the presiding arbitrator, where applicable. Whenever the parties to the Dispute are of more than one nationality, the single arbitrator or the presiding arbitrator (as the case may be) shall not be of the same nationality as any of the parties or their ultimate parent entities, unless the parties to the Dispute otherwise agree.

(x) Intentionally Deleted.

(xi) Costs and Attorneys' Fees. The arbitral tribunal is authorized to award costs and attorneys' fees and to allocate them between the parties to the Dispute. The costs of the arbitration proceedings, including attorneys' fees, shall be borne in the matter determined by the arbitral tribunal.

(xii) Interest. The award may include interest, as determined by the arbitral award, from the date of any default or other breach of this Agreement until the arbitral award is paid in full. The rate of interest shall be determined by the arbitral award.

(xiii) Currency of Award. The arbitral award shall be made and payable in United States dollars, free of any tax or other deduction.

(xiv) Exemplary Damages. The parties waive their rights to claim or recover, and the arbitral tribunal shall not award, any punitive, multiple, or other exemplary damages (whether statutory or common law) except to the extent such damages have been awarded to a third party and are subject to allocation between or among the parties to the Dispute.

(xv) Waiver of Challenge to Decision or Award. To the extent permitted by law, any right to appeal or challenge any arbitral decision or award, or to oppose enforcement of any such decision or award before a court or any governmental authority, is hereby waived by the parties except with respect to the limited grounds for modification or non-enforcement provided by any applicable arbitration statute or treaty.

12.14. Counterparts

This Agreement may be executed in one or more counterparts, including by facsimile signature, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the Effective Date.

SELLER

MUSTAFA MEHMET CORPORATION

By: /s/ Harvey R. Clapp, III
Harvey R. Clapp, III, President

BUYER

TRANSATLANTIC WORLDWIDE, LTD.

By: /s/ Scott C. Larsen
Name: Scott C. Larsen
Title: Executive Vice President

[Signature Page to [TBNG] Share Purchase Agreement]

Exhibit 2.2

FIRST AMENDMENT TO
SHARE PURCHASE AGREEMENT

This FIRST AMENDMENT TO SHARE PURCHASE AGREEMENT ("**First Amendment**") is entered into this 6th day of June, 2011 by and between MUSTAFA MEHMET CORPORATION ("**Seller**") and TRANSATLANTIC WORLDWIDE, LTD. ("**Buyer**").

WHEREAS, Seller and Buyer have entered into that certain Share Purchase Agreement dated April 23, 2011 (the "**Base Agreement**");

WHEREAS, Seller and Buyer desire to amend the Base Agreement in accordance with this First Amendment; and

WHEREAS, capitalized terms not otherwise defined herein shall have the meanings set forth in the Base Agreement.

NOW, THEREFORE, for and in consideration of the mutual promises herein made, the parties, intending to be legally bound, hereby agree as follows:

1. Section 1.47 of the Base Agreement is hereby deleted in its entirety and replaced with the following:

1.47 Purchase Price

"Purchase Price" means, collectively, the following:

(a) The Cash Portion of the Purchase Price;

(b) The Overriding Royalties; and

(c) The TA Stock.

2. The following definitions shall be added to the end of Article 1 of the Base Agreement:

1.61. Cash Portion of the Purchase Price

"Cash Portion of the Purchase Price" means the sum of TEN MILLION AND NO/100 DOLLARS USD ($10,000,000.00), adjusted as provided in the Multi-Party Agreement.

1.62 Multi-Party Agreement

"Multi-Party Agreement" means that certain Multi-Party Agreement dated as of June 6, 2011, by and among each of the following: Seller; Buyer; TransAtlantic Petroleum Ltd.; Pinnacle Turkey Holding Company, LLC; Valeura Energy Inc.; Valeura Energy (Netherlands) Coöoperatief U.A.; TBNG; PTI; and Corporate Resources B.V.

3. Section 2.3 of the Base Agreement is hereby deleted in its entirety and replaced with the following:

2.3 Payment of the Purchase Price

Subject to the terms and conditions of this Agreement, the Purchase Price shall be paid by Buyer as follows:

(a) Buyer shall deliver the TA Stock;

(b) Buyer shall deliver the Cash Portion of the Purchase Price at Closing; and

(c) Buyer shall execute and deliver to Seller at Closing the agreements providing for the Overriding Royalties.

4. Seller agrees that it will be liable for any and all cost and expense relating to any labor rights (including but not limited to severance pay, notice pay, termination pay, accrued vacation pay, annual leave and other leaves) which may have accrued or been earned by any employees of TBNG prior to Closing pursuant to the Turkish Labor Code or other Legal Requirement.

5. Seller agrees to cooperate with Buyer and execute and deliver any and all documents and instruments from and after the Closing to assist Buyer in consummating the terms of the Base Agreement and related documents, including but not limited to the transition of directors and officers in the British Virgin Islands.

6. All terms and provisions of the Base Agreement not amended or modified by this First Amendment shall remain in full force and effect.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed and delivered this First Amendment as of the date first set forth above.

SELLER:

MUSTAFA MEHMET CORPORATION

By: /s/ Harvey R. Clapp, III
Harvey R. Clapp, III, President

BUYER:

TRANSATLANTIC WORLDWIDE, LTD.

By: /s/ Jeffrey S. Mecom
Jeffrey S. Mecom, Vice President

Exhibit 2.3

MULTI-PARTY AGREEMENT

This **MULTI-PARTY AGREEMENT** (this "Agreement") is entered into as of this 6th day of June, 2011 by and among MUSTAFA MEHMET CORPORATION, an exempt company organized under the laws of the United States Virgin Islands ("MMC"), TRANSATLANTIC PETROLEUM LTD., an exempt company with limited liability organized under the laws of Bermuda ("TPL"), TRANSATLANTIC WORLDWIDE, LTD., an international business company organized under the laws of the Commonwealth of the Bahamas ("TWL"), VALEURA ENERGY INC., a company organized under the laws of the Province of Alberta, Canada ("VEI"), VALEURA ENERGY (NETHERLANDS) COÖPERATIEF U.A., a co-operative with exclusion of liability incorporated under the laws of Netherlands ("Valeura"), PINNACLE TURKEY HOLDING COMPANY, LLC, a Delaware limited liability company (" PTI Holdings"), Thrace Basin Natural Gas (Turkiye) Corporation, a corporation organized under the laws of the British Virgin Islands and having a branch in Turkey with the name Thrace Basin Natural Gas (Turkiye) Corporation Ankara Turkiye Subesi ("TBNG"), Pinnacle Turkey, Inc., a corporation organized under the laws of the British Virgin Islands and having a branch in Turkey with the name Pinnacle Turkey (Merkezi Virgin Adalari) Ankara Turkiye Subesi (" PTI"), and Corporate Resources B.V., a Dutch company and having a branch in Turkey with the name Corporate Resources B.V. Limited Sirketi-Ankara-Turkiye-Subesi ("CRBV"). Each of MMC, TPL, TWL, VEI, Valeura, PTI Holdings, TBNG, PTI and CRBV shall be referred to herein individually from time to time as a "Party" and collectively as the "Parties".

WHEREAS, MMC and TWL have entered into that certain Option Agreement dated November 8, 2010 (the "Option Agreement"), pursuant to which TWL was granted an option to purchase from MMC all of the TBNG Shares and the PTI Shares (the "Option");

WHEREAS, on or before execution of the Option Agreement, TWL deposited with MMC the option fee of US $10,000,000 in accordance with the Option Agreement;

WHEREAS, VEI, TPL and TWL entered into that certain Conditional Offer dated February 8, 2011 (as amended, the "Valeura Offer Letter") relating to, among other matters, the assignment by TWL to VEI of the right to acquire 61.54% of the PTI Shares;

WHEREAS, TWL timely exercised the Option in accordance with the Option Agreement and the Valeura Offer Letter on February 10, 2011;

WHEREAS, pursuant to an Assignment and Transfer Agreement dated as of March 11, 2011 between TBNG and PTI, which agreement is attached hereto as Exhibit "E" (the "TBNG/PTI First ATA "), the PTI Exploration License Interests were assigned by TBNG to PTI in accordance with the Option Agreement;

WHEREAS, pursuant to a share purchase agreement dated as of April 23, 2011 between MMC and TWL, as amended, which agreement with amendment is attached hereto as Exhibit "B" (the "TBNG Share Purchase Agreement"), TWL agreed to purchase the TBNG Shares subject to and in accordance with the terms therein;

WHEREAS, notwithstanding anything to the contrary in the Option Agreement but subject to the terms and conditions of this Agreement, the Parties desire to effect the sale of the PTI Shares by MMC to PTI Holdings pursuant to a share purchase agreement in the form attached hereto as Exhibit "C" (the "PTI Share Purchase Agreement");

WHEREAS, notwithstanding anything to the contrary in the Option Agreement but subject to the terms and conditions in this Agreement, the Parties desire to effect the sale of the CRBV Shares by MMC to Valeura pursuant to a share purchase agreement in the form attached hereto as Exhibit "D" (the "CRBV Share Purchase Agreement");

WHEREAS, notwithstanding anything to the contrary in the Option Agreement but subject to the terms and conditions of this Agreement **,** the Parties desire that, immediately prior to Closing, MMC cause:

(a) the CRBV Exploration License Interests to be assigned by PTI to CRBV in accordance with the terms of an Asset Conveyance Agreement to be entered into immediately prior to Closing between TBNG, PTI and CRBV in the form attached hereto as Exhibit "F" (the "ACA"), and the terms of an Assignment and Transfer Agreement to be entered into immediately prior to Closing between PTI and CRBV in the form attached hereto as Exhibit "G" (the "PTI/CRBV ATA");

(b) the TBNG Exploration License Interests to be assigned by PTI to TBNG in accordance with the terms of the ACA and an Assignment and Transfer Agreement to be entered into immediately prior to Closing between PTI and TBNG in the form attached hereto as Exhibit "H" (the "PTI/TBNG ATA");

(b) the PTI Production Lease Interests to be assigned by TBNG to PTI in accordance with the terms of the ACA and an Assignment and Transfer Agreement to be entered into immediately prior to Closing between TBNG and PTI in the form attached hereto as Exhibit "I" (the "TBNG/PTI Second ATA"); and

(b) the CRBV Production Lease Interests to be assigned by TBNG to CRBV in accordance with the terms of the ACA and an Assignment and Transfer Agreement to be entered into immediately prior to Closing between TBNG and CRBV in the form attached hereto as Exhibit "J" (the "TBNG/CRBV ATA");

WHEREAS, the Parties desire that each of TBNG, PTI and CRBV own, effective as of Closing, such undivided interests in the Production Leases and Exploration Licenses as are set forth in Exhibit "O" attached hereto, in accordance with the terms of the ACA, the ATAs and this Agreement; and

WHEREAS, the Parties desire to effect the foregoing transactions, coordinate the consummation of the respective transactions under the Definitive Agreements, and modify the terms of the Option Agreement and the Valeura Offer Letter all as set forth herein;

NOW, THEREFORE, for and in consideration of the mutual promises and covenants made herein, the Parties, intending to be legally bound, agree as follows:

1. Defined Terms and Exhibits

1.1 The terms defined in Exhibit "A" shall have the meanings ascribed to them in such Exhibit. Capitalized terms used but not otherwise defined in this Agreement shall have the meanings ascribed to them in the Option Agreement.

1.2 The following exhibits are attached to and form a part of this Agreement:

Exhibit "4.2(b)" - Contracts to be Terminated by the Closing Date
Exhibit "A" - Definitions
Exhibit "B" - TBNG Share Purchase Agreement
Exhibit "C" - Form of PTI Share Purchase Agreement
Exhibit "D" - Form of CRBV Share Purchase Agreement
Exhibit "E" - TBNG/PTI First ATA
Exhibit "F" - Form of ACA
Exhibit "G" - Form of PTI/CRBV ATA
Exhibit "H" - Form of PTI/TBNG ATA
Exhibit "I" - Form of TBNG/PTI Second ATA
Exhibit "J" - Form of TBNG/CRBV ATA
Exhibit "K" - Form of Joint Operating Agreement
Exhibit "L" - Form of Gaziantep Joint Operating Agreement
Exhibit "M" - Form of Gas Facilities Agreement
Exhibit "N" - Form of Gas Marketing Agreement
Exhibit "O" - Production Leases and Exploration Licenses
Exhibit "P" - Methodology for Pre-Closing Interim Adjustments
Exhibit "Q" - Form of Restated Escrow Agreement
Exhibit "R" - Form of CRBV NPI Agreement
Exhibit "S" - Form of PTI NPI Agreement
Exhibit "T" - Form of TBNG NPI Agreement

Exhibit "U" - Form of Collection Account Agreement

Exhibit "V" - Tiway ROFR Notice

Exhibit "W" - Assumption Agreement

2. Execution of New Agreements

2.1 Immediately prior to Closing:

(a) MMC shall cause each of TBNG, PTI and CRBV to execute the ACA; MMC shall cause each of TBNG and PTI to execute the TBNG/PTI First ATA, the PTI/TBNG ATA and the TBNG/PTI Second ATA; MMC shall cause each of TBNG and CRBV to execute the TBNG/CRBV ATA; and MCC shall cause each of PTI and CRBV to execute the PTI/CRBV ATA;

(b) subject to and in accordance with the terms of this Agreement, MMC and PTI Holdings shall execute and deliver the PTI Share Purchase Agreement; and

(c) subject to and in accordance with the terms of this Agreement, MMC and Valeura shall execute and deliver the CRBV Share Purchase Agreement.

The TBNG Share Purchase Agreement, the PTI Share Purchase Agreement and the CRBV Share Purchase Agreement are referred to herein individually as a "Share Purchase Agreement" and collectively as the "Share Purchase Agreements". Valeura hereby agrees and acknowledges that for purposes of clause 1(b) of the Valeura Offer Letter, the CRBV Share Purchase Agreement shall be used in lieu of the Valeura Participation Agreement (as such term is defined in the Valeura Offer Letter).

3. Continuation of Share Option Agreement. Until Closing or the Option Agreement is terminated or expires in accordance with its terms, whichever shall first occur, TWL and MMC agree that, other than as separately addressed in the TBNG Share Purchase Agreement, the terms of the Option Agreement shall continue to be binding on them.

4. Closing of Share Purchase Agreements and Closing Mechanics

4.1 The Parties hereby agree and acknowledge: (a) that, subject to satisfaction or waiver of all of the respective conditions set forth in this Agreement, the TBNG Share Purchase Agreement, the PTI Share Purchase Agreement and the CRBV Share Purchase Agreement, the closing of the transactions contemplated by this Agreement, the TBNG Share Purchase Agreement, the PTI Share Purchase Agreement and the CRBV Share Purchase Agreement (the "Closing") shall occur simultaneously; and (b) that the closing of the transactions contemplated by this Agreement and each Share Purchase Agreement shall be cross conditional on the closing of the transactions contemplated by each of the other agreements listed in subpart (a) above.

4.2 In addition to the documents to be delivered by each Party at the Closing in accordance with the other terms of this Agreement and the terms of each Share Purchase Agreement, the following documents shall be executed and delivered by no later than at Closing:

(a) MMC shall cause MARHAT Marmara Boru Hatlari Ins. Muh.Taahh.san.Tic.Ltd.sti, a corporation organized under the laws of Turkey ("Marhat"), to execute and deliver to each of TBNG, CRBV and PTI an Overriding Royalty Interest Agreement in form and substance satisfactory to each of TWL, Valeura and PTI Holdings granting to TBNG, CRBV and PTI an overriding royalty interest in Exploration License no. 4201 (Ipsala) in the following percentages set forth opposite the names below:

TBNG	0.4150% GOR
CRBV	0.4000% GOR
PTI	0.1850% GOR

(b) written agreements or other documentation evidencing the termination of all agreements set forth on Exhibit "4.2(b)", such agreements or documentation to be in form and substance satisfactory to each of TWL, PTI Holdings and Valeura, as applicable, and (i) with respect to the agreements listed in paragraph A of Exhibit "4.2(b)", the termination shall be effective as of the Effective Date and MMC shall be responsible for any liabilities under these agreements accruing after the Effective Date and (ii) with respect to the agreements listed in paragraph B of Exhibit "4.2(b)", the termination shall be effective as of the Closing Date but MMC shall be responsible for any liabilities under these agreements accruing after the Effective Date other than in the Ordinary Course of Business;

(c) the joint operating agreement in the form attached hereto as Exhibit "K" (the "Joint Operating Agreement");

(d) the joint operating agreement in the form attached hereto as Exhibit "L" (the "Gaziantep Joint Operating Agreement");

(e) the gas facilities agreement in the form attached hereto as Exhibit "M" (the "Gas Facilities Agreement");

(f) the gas marketing agreement in the form attached hereto as Exhibit "N" (the "Gas Marketing Agreement");

(g) the Restated Escrow Agreement in the form attached hereto as Exhibit "Q" (the "Restated Escrow Agreement");

(h) an NPI agreement in the form attached hereto as Exhibit "R" (the "CRBV NPI Agreement"), an NPI agreement in the form attached hereto as Exhibit "S" (the "PTI NPI Agreement"), and an NPI agreement in the form attached hereto as Exhibit "T" (the "TBNG NPI Agreement" and together with the CRBV NPI Agreement and the PTI NPI Agreement, the "NPI Agreements" and each an "NPI Agreement");

(i) a collection account agreement in the form attached hereto as Exhibit "U" (the "Collection Account Agreement");

(j) the Closing Cash Flow Statement as contemplated in Section 4.3(c) below.

4.3 Closing shall occur under this Agreement and the Share Purchase Agreements by implementation of the following steps:

(a) the Cash Portion of the Purchase Price (as such term is defined in the CRBV Share Purchase Agreement) payable by Valeura pursuant to the CRBV Share Purchase Agreement shall be adjusted by reducing such amount by:

(i) the aggregate of the amounts due under TBNG/CRBV Invoice and the PTI/CRBV Invoice, as those terms are defined in the ACA, less the PTI/CRBV Pre-Closing Interim Adjustment Amount and the TBNG/CRBV Pre-Closing Interim Adjustment Amount; and

(ii) the aggregate of the PTI/CRBV Pre-Closing Interim Adjustment Amount and the TBNG/CRBV Pre-Closing Interim Adjustment Amount in each case consistent with the Methodology for Pre-Closing Interim Adjustments set forth on Exhibit "P" and as set forth in the Closing Cash Flow Statement;

(b) the Cash Portion of the Purchase Price (as such term is defined in the PTI Share Purchase Agreement) shall be adjusted consistent with the Methodology for Pre-Closing Interim Adjustments set forth on Exhibit "P" and as set forth in the Closing Cash Flow Statement.

(c) the Cash Portion of the Purchase Price (as such term is defined in the TBNG Share Purchase Agreement) shall be adjusted consistent with the Methodology for Pre-Closing Interim Adjustments set forth on Exhibit "P" and as set forth in the Closing Cash Flow Statement.

(d) The Parties shall execute and deliver to each other at Closing a closing cash flow statement acceptable to each Party (the "Closing Cash Flow Statement"), which Closing Cash Flow Statement will address and set forth, in each case, as a credit or debit to the obligations of TWL, PTI Holdings and/or Valeura, as appropriate, to pay the consideration contemplated under each Share Purchase Agreement as generally provided for in Sections 4.3(a), 4.3(b) and 4.3(c) above, which Closing Cash Flow Statement may, if the Parties agree, in addition address one or more of the following (in each case without duplication to any treatment of any such items in calculating any Pre-Closing Interim Adjustment Amounts):

(i) the treatment of any trade receivables and trade payables due and owing between TBNG and PTI;

(ii) the treatment of any intercompany amounts due from MMC or its affiliates to any of TBNG or PTI;

(iii) the treatment and application of the Option Fee; and

(iv) any other monetary matters deemed appropriate or applicable by the Parties.

4.4 For greater certainty, the order in which the various agreements set forth below are to be executed and delivered is as follows, from first to last:

(a) the TBNG/PTI First ATA, prior to the execution of the agreements set forth in Section 4.4(b) below;

(b) the ACA, the PTI/CRBV ATA, the PTI/TBNG ATA, the TBNG/PTI Second ATA, and the TBNG/CRBV ATA, concurrently and immediately prior to Closing; and

(c) the NPI Agreement, the Collection Account Agreement, the Joint Operating Agreement, the Gaziantep Joint Operating Agreement, the Gas Facilities Agreement; the Gas Marketing Agreement, the Assumption Agreement, the PTI Share Purchase Agreement, the CRBV Share Purchase Agreement and the Restated Escrow Agreement, concurrently and at Closing.

5. Governmental Approvals

MMC has submitted an application for approval to, and received approval from, the Competition Board of the transactions contemplated by the TBNG Share Purchase Agreement. MMC, TWL, and PTI Holdings agree and confirm that the PTI Share Purchase Agreement need not be submitted for approval by the Competition Board, and MMC, TWL and Valeura agree and confirm that the CRBV Share Purchase Agreement need not be submitted for approval by the Competition Board.

6. Return of Option Fee

6.1 Notwithstanding the provisions of Section 3.3(a) of the Option Agreement, which contemplated the application of the Option Fee against the Cash Portion of the Purchase Price at Closing, upon Closing and consummation of the transactions contemplated by the Share Purchase Agreements, the Option Fee shall be handled in accordance with the Closing Cash Flow Statement.

6.2 In the event the TBNG Share Purchase Agreement is terminated by TWL pursuant to Section 9.1(a) or Section 9.1(b) thereof, MMC agrees to, upon request of TWL, promptly return the Option Fee to TWL if such termination was based on:

(a) MMC's failure to comply with any of its covenants and obligations set forth in this Agreement or the TBNG Share Purchase Agreement;

(b) a Material Adverse Change with respect to TBNG, PTI or CRBV;

(c) any actual or threatened Proceeding that, if determined negatively against MMC, TBNG, PTI or CRBV, an Affiliate of MMC, TBNG, PTI or CRBV or any predecessor of MMC, TBNG, PTI or CRBV would result in a Material Adverse Change with respect to the assets or businesses of TBNG, PTI or CRBV; or

(d) MMC's failure to clear any Encumbrance created by an Employee Buyout Loan, if any.

6.3 Notwithstanding anything to the contrary contained herein, in the event the TBNG Share Purchase Agreement is terminated by TWL pursuant to Section 9.1(b) of the TBNG Share Purchase Agreement, MMC agrees to, upon request of TWL, return one half of the Option Fee to TWL, if such termination was based on an inability to obtain, by June 11, 2011, any required approval of the proposed transactions under the TBNG Share Purchase Agreement by the Competition Board.

6.4 In the event any of the transactions are terminated in accordance with Section 6.2 or Section 6.3 above or in accordance with Section 10 below, TPL and TWL shall cause the deposit provided by Valeura pursuant to clause 8 of the Valeura Offer Letter to be immediately thereafter returned to Valeura or its nominee.

6.5 In the event the transactions are terminated in accordance with Section 6.3 above, any deposit provided by PTI Holdings (or any investor in PTI Holdings) shall be returned to the Party who posted the deposit.

7. Transfer of Exploration Licenses and Production Leases

7.1 MMC hereby represents and warrants that pursuant to the TBNG/PTI First ATA it has caused the transfers of certain interests in the Exploration Licenses and related Assets (the "PTI Exploration License Interests") from TBNG to PTI in compliance with Section 8.4 of the Option Agreement and has applied for and obtained all required approvals with respect to such transfers, including GDPA Approval.

Subject to Section 7.5, the Parties agree that TBNG shall timely pay and remit all Other Taxes resulting from or arising in connection with the transfer of the PTI Exploration License Interests; provided, however, the VAT arising as a result of the transfer of the PTI Exploration License Interests, and any associated interest, penalties and other similar amounts, shall be dealt with in the manner set forth in Section 2.8 of the ACA.

7.2 Immediately prior to Closing, MMC shall cause PTI to transfer to CRBV certain interests in the Exploration Licenses and related Assets (the "CRBV Exploration License Interests") in accordance with the ACA and the PTI/CRBV ATA, and in connection therewith PTI shall file within five (5) Business Days after Closing all appropriate and required transfer information, third party consents and other documents with the GDPA that are required in connection with obtaining GDPA Approval for such transfer, and at all times from and after Closing TWL and TPL shall, and PTI Holdings shall cause PTI to, use their best efforts to obtain such GDPA Approval as soon as possible, including obtaining and filing all supplementary information, consents and documents that GDPA may require or request.

Subject to Section 7.5, the Parties agree that PTI shall timely pay and remit all Other Taxes resulting from or arising in connection with the transfer of the CRBV

Exploration License Interests; provided, however, the VAT arising as a result of the transfer of the CRBV Exploration License Interests, and any associated interest, penalties and other similar amounts, shall be dealt with in the manner set forth in Section 2.8 of the ACA.

7.3 Immediately prior to Closing, MMC shall cause PTI to transfer to TBNG certain interests in the Exploration Licenses and related Assets (the "TBNG Exploration Licenses Interests") in accordance with the ACA and the PTI/TBNG ATA, and in connection therewith PTI shall file within five (5) Business Days after Closing all appropriate and required transfer information, third party consents and other documents with the GDPA that are required in connection with obtaining GDPA Approval for such transfer, and at all times from and after Closing TWL and TPL shall, and PTI Holdings shall cause PTI to, use their best efforts to obtain such GDPA Approval as soon as possible, including obtaining and filing all supplementary information, consents and documents that GDPA may require or request.

Subject to Section 7.5, the Parties agree that PTI shall timely pay and remit all Other Taxes resulting from or arising in connection with the transfer of the TBNG Exploration License Interests; provided, however, the VAT arising as a result of the transfer of the TBNG Exploration License Interests, and any associated interest, penalties and other similar amounts, shall be dealt with in the manner set forth in Section 2.8 of the ACA.

7.4 Immediately prior to Closing, MMC shall cause TBNG to transfer to PTI and CRBV certain interests in the Production Leases and related Assets (respectively, the "PTI Production Lease Interests" and the "CRBV Production Lease Interests") in accordance with the ACA, the TBNG/PTI Second ATA and the TBNG/CRBV ATA, and in connection therewith TBNG shall file within five (5) Business Days after Closing all appropriate and required transfer information, third party consents and other documents with the GDPA that are required in connection with obtaining GDPA Approval for such transfers, and at all times from and after Closing TWL and TPL shall, and shall cause PTI to, use their best efforts to obtain such GDPA Approval as soon as possible, including obtaining and filing all supplementary information, consents and documents that GDPA may require or request.

Subject to Section 7.5, the Parties agree that TBNG shall timely pay and remit all Other Taxes resulting from or arising in connection with the transfer of the PTI Production Leases Interests and the CRBV Production Lease Interests; provided, however, the VAT arising as a result of the transfer of the PTI Production Leases Interests and the CRBV Production Lease Interests, and any associated interest, penalties and other similar amounts, shall be dealt with in the manner set forth in Section 2.8 of the ACA.

7.5 Notwithstanding Sections 7.1, 7.2, 7.3 and 7.4 above, (a) PTI shall only bear an amount equal to 18.50% of Other Taxes up to a maximum of US $675,250 and (b) CRBV shall only bear an amount equal to 40% of Other Taxes up to a maximum of US $1,460,000, with such caps to apply in all circumstances. The amounts to be borne by each of PTI and CRBV pursuant to this Section 7 shall form part of, respectively, the PTI Pre-Closing Interim Adjustment Amount and the TBNG Pre-Closing Interim Adjustment Amount as provided for in Exhibit "N", provided that if for some reason there are insufficient net revenues attributable to their respective interests at Closing to cover the amounts to be borne by PTI or CRBV pursuant to Section 7, the balance of the amount owing by such Party shall be covered by TBNG at Closing and shall be deducted from amounts to thereafter be paid by TBNG to such Party under their respective NPI Agreement. The amounts to be borne by PTI and CRBV pursuant to this Section 7.5 shall not be increased regardless whether it is subsequently determined that the total amount of the applicable Other Tax liabilities which may arise or accrue exceed US $3,650,000.

TBNG shall make available to PTI and CRBV upon request all information reasonably required by PTI and CRBV to confirm TBNG's calculation of the Other taxes that are payable. If it is ever determined that TBNG's calculation over-estimated any such tax, or TBNG otherwise is not required to pay any such tax or any such tax is reduced, rebated or otherwise returned to TBNG, in whole or in part, TBNG shall immediately remit the corresponding amounts to PTI and CRBV.

8. Pre-Closing Covenants Compliance

8.1 MMC hereby represents and warrants that it has complied with all the covenants set forth in Article 8 of the Option Agreement from the Effective Date to the date hereof, and covenants to each of TWL, PTI Holdings and Valeura that from and after the date hereof it shall comply with the covenants set forth in Article 6 of the TBNG Share Purchase Agreement, the PTI Share Purchase Agreement and the CRBV Share Purchase Agreement (with Article 6 of the PTI Share Purchase Agreement and the CRBV Share Purchase Agreement being incorporated by reference herein), and that it shall cause each of TBNG, PTI and CRBV to execute and deliver the ACA, the PTI/CRBV ATA, the PTI/TBNG ATA, the TBNG/PTI Second ATA and the TBNG/CRBV ATA immediately prior to Closing. Notwithstanding the foregoing, MMC hereby represents and warrants that MMC did not obtain the Employee Buyout Loan as contemplated in Section 8.6 of the Option Agreement as of the date hereof and MMC will not obtain the Employee Buyout Loan prior to or at the Closing.

8.2 MMC agrees that, prior to the Closing, it shall update and bring current the source file and information for TBNG and PTI at the GDPA, EMRA and the Trade Ministry, all to the satisfaction of TWL, PTI Holdings, VEI and their respective Turkish counsel.

9. Economic Interests

9.1 Each of the Parties acknowledges and agrees that:

(a) the payment by each of the Buyer Parties to MMC at Closing of the cash and/or other consideration provided for in such Buyer Party's respective Share Purchase

Agreement and this Agreement in exchange for all of the issued and outstanding shares of the respective Purchased Entity is based on such Purchased Entity owning and holding at Closing such undivided interests in the Production Leases and Exploration Licenses as are set forth in Exhibit "O" attached hereto in accordance with the terms of the ACA, the applicable ATAs and this Agreement;

(b) under the petroleum laws of Turkey the transfer of certain of the PTI Production Lease Interests, the CRBV Exploration License Interests, the CRBV Production Lease Interests and the TBNG Exploration License Interests is legally effective once GDPA Approval is obtained, and that no party has reason to believe (based on, among other things, advice of Turkish legal counsel) that such GDPA Approval will not be granted in a timely manner and without conditions; and

(c) TBNG shall grant to CRBV and PTI the economic interests required to be granted by TBNG in, and subject to the terms and conditions of, the CRBV NPI Agreement and the PTI NPI Agreement, and PTI shall grant to CRBV and TBNG the economic interests required to be granted by PTI in, and subject to the terms and conditions of, the CRBV NPI Agreement and the TBNG NPI Agreement.

9.2 In the event that at any time, whether before or after Closing, TWL, Valeura or PTI Holdings determines in its discretion, acting reasonably, that the NPI Agreements do not properly reflect the economic interests of TBNG, PTI or CRBV, in each case as a grantee under the applicable NPI Agreement, or does not provide such Party with adequate protection or assurances of its economic interests, as grantee thereunder, all Parties (other than MMC) shall upon written notice from any other affected Party enter such agreements or arrangements as such Party may reasonably request to so reflect or protect such economic interests.

9.3 Each Buyer Party shall do all things necessary to cause its respective Purchased Entity to give effect to the terms and provisions of the ACA, the ATAs, and the NPI Agreements and to comply in all respects with all of the obligations and liabilities of such Purchased Entity under such agreement.

10. Conditions

10.1 Valeura's obligation to purchase the CRBV Shares and to take any other actions required to be taken by Valeura at the Closing, whether under this Agreement, the CRBV Share Purchase Agreement or otherwise, is subject to the satisfaction, at or prior to Closing or such earlier date as may be set forth below, of each of the following conditions (any or all of which may be waived by Valeura, in whole or in part):

(a) the receipt by Valeura at Closing of:

(i) the TBNG Share Purchase Agreement executed and delivered by MMC, and all documents contemplated thereunder to be delivered by Closing;

(ii) evidence that closing is occurring concurrently under the TBNG Share Purchase Agreement, that all conditions set forth therein have been satisfied (as opposed to any such conditions being waived), and that all representations and warranties therein are true and correct;

(iii) a fully executed copy of the PTI Share Purchase Agreement, together with evidence that closing is occurring concurrently thereunder, that all conditions set forth therein have been satisfied (as opposed to any such conditions being waived), and that all representations and warranties therein are true and correct;

(iv) fully executed copies of the ACA and each ATA;

(v) a fully executed copy of the CRBV NPI Agreement;

(vi) fully executed copies of Collection Account Agreement, together with confirmation that the security contemplated by the CRBV NPI Agreement can be registered in British Virgin Islands immediately after Closing in priority to any other Person; and

(vii) fully executed copies of each of the Restated Escrow Agreement, the Gas Facilities Agreement, the Gas Marketing Agreement, the Joint Operating Agreement and the Gaziantep Joint Operating Agreement by no later than Closing.

(b) the receipt by Valeura prior to Closing of each consent, report, document and other material or instrument required to be submitted to the GDPA in connection with obtaining GDPA Approval;

(c) each other Party having performed and satisfied in all material respects all of its obligations and liabilities under this Agreement, the TBNG Share Purchase Agreement, the PTI Share Purchase Agreement, the CRBV Share Purchase Agreement, the ACA and the ATAs;

(d) the representations and warranties of TPL and TWL herein, and of MMC in the CRBV Share Purchase Agreement, being true and correct in all material respects as of the Closing Date as if made on the Closing Date;

(e) Valeura being satisfied there has been no material adverse change in the Assets after the Effective Date, nor that any material adverse information has been disclosed or otherwise made available in respect of the Assets or the transactions contemplated or described in the Agreement that was not disclosed in writing to Valeura prior to the date hereof;

(f) receipt by Valeura and VEI of relevant government, regulatory, stock exchange and third party approvals;

(g) Valeura being satisfied, acting reasonably, that the CRBV Exploration License Interests and the CRBV Production Lease Interests are beneficially owned by CRBV as at the Closing Date, in each case in accordance with this Agreement, the ACA and the applicable ATAs; and

(h) the occurrence of Closing by no later than noon (Calgary, Alberta time) on July 11, 2011.

The Parties shall each use their reasonable commercial efforts to satisfy the foregoing conditions. The Parties acknowledge and agree that if any of the foregoing conditions are not either waived by Valeura or satisfied, Valeura shall upon notice to MMC, TWL and PTI Holdings be released from all of its liabilities and obligations under or in connection with this Agreement and the CRBV Share Purchase Agreement. TWL shall thereupon automatically be responsible for all such liabilities and obligations, subject to and in accordance with this Agreement, the Share Option Agreement and the TBNG Share Purchase Agreement, without any recourse to VEI or Valeura.

TPL and TWL, on behalf of TransAtlantic Exploration Mediterranean International Pty. Ltd. hereby waive any right of first refusal in connection with the sale to and purchase by CRBV of the CRBV Exploration License Interests and the CRBV Production Lease Interests contemplated in the joint operating agreement dated March 25, 2010.

10.2 PTI Holdings' obligation to purchase the PTI Shares and to take any other actions required to be taken by PTI Holdings at the Closing, whether under this Agreement, the PTI Share Purchase Agreement or otherwise, is subject to the satisfaction, at or prior to Closing or such earlier date as may be set forth below, of each of the following conditions (any or all of which may be waived by PTI Holdings, in whole or in part):

(a) the receipt by PTI Holdings at Closing of:

(i) the TBNG Share Purchase Agreement executed and delivered by MMC, and all documents contemplated thereunder to be delivered by Closing;

(ii) evidence that closing is occurring concurrently under the TBNG Share Purchase Agreement, that all conditions set forth therein have been satisfied (as opposed to any such conditions being waived), and that all representations and warranties therein are true and correct;

(iii) a fully executed copy of the CRBV Share Purchase Agreement, together with evidence that closing is occurring concurrently thereunder, that all conditions set forth therein have been satisfied (as opposed to any such conditions being waived), and that all representations and warranties therein are true and correct;

(iv) fully executed copies of the ACA and each ATA;

(v) a fully executed copy of the PTI NPI Agreement;

(vi) fully executed copy of the Collection Account Agreement, together with confirmation that the security contemplated by the PTI NPI Agreement can be registered in British Virgin Islands immediately after Closing in priority to any other Person; and

(vii) fully executed copies of each of the Restated Escrow Agreement, the Gas Facilities Agreement, the Gas Marketing Agreement, the Joint Operating Agreement and the Gaziantep Joint Operating Agreement by no later than Closing.

(b) the receipt by PTI Holdings by no later than three (3) Business Days prior to Closing of each consent, report, document and other material or instrument required to be submitted to the GDPA in connection with obtaining GDPA Approval;

(c) each other Party having performed and satisfied in all material respects all of its obligations and liabilities under this Agreement, the TBNG Share Purchase Agreement, the CRBV Share Purchase Agreement, the ACA and the ATAs;

(d) the representations and warranties of TPL and TWL herein, and of MMC in the PTI Share Purchase Agreement, being true and correct in all material respects as of the Closing Date as if made on the Closing Date;

(e) PTI Holdings being satisfied there has been no material adverse change in the Assets after the Effective Date, nor that any material adverse information has been disclosed or otherwise made available in respect of the Assets or the transactions contemplated or described in the Agreement that was not disclosed in writing to PTI Holdings prior to the date hereof;

(f) receipt by PTI Holdings of relevant government, regulatory, stock exchange and third party approvals;

(g) PTI Holdings being satisfied, acting reasonably, that the PTI Production Lease Interests are beneficially owned by PTI as at the Closing Date in accordance with this Agreement, the ACA and the applicable ATAs; and

(h) the occurrence of Closing by no later than noon (Calgary, Alberta time) on July 11, 2011.

The Parties shall each use their reasonable commercial efforts to satisfy the foregoing conditions. The Parties acknowledge and agree that if any of the foregoing conditions are not either waived by PTI Holdings or satisfied, PTI Holdings shall upon notice to MMC, TWL and Valeura be released from all of its liabilities and obligations under or in connection with this Agreement and the PTI Share Purchase Agreement. TWL shall thereupon automatically be responsible for all such liabilities and obligations, subject to and in accordance with this Agreement, the Share Option Agreement and the TBNG Share Purchase Agreement, without any recourse to PTI Holdings.

11. Tiway ROFR

11.1 MMC hereby represents and warrants the following in connection with the transactions contemplated by the Definitive Agreements (including, without limitation, in connection with the transfers of the PTI Exploration License Interests, the CRBV Exploration License Interests, and the TBNG Exploration License Interests): (a) MMC has delivered a notice

to each Person entitled to notice or holding a right of first offer, right of first refusal or other pre-emptive right (a "Right of First Refusal") in respect of any such transactions, including to Tiway Turkey Ltd. ("Tiway"), in the form attached hereto as Exhibit "V", pursuant to that certain Joint Operating Agreement dated October 26, 2007, between Tiway (formerly known as Toreador Turkey Limited), TBNG and PTI (the "Offshore JOA"); (b) each such notice delivered by MMC complied with the terms of the respective agreement pursuant to which the notice was required to be sent; and (c) except for the outstanding notices to Tiway and GDPA Approval of the transfers of the PTI Production Lease Interests, the CRBV Production Lease Interests, the CRBV Exploration License Interests and the TBNG Exploration License Interests, no notices to, approvals of, or waivers by any Person are required in order to consummate any of the transactions contemplated by the Definitive Agreements.

11.2 In the event Tiway exercises its Right of First Refusal, CRBV shall, upon request of PTI, promptly reconvey to PTI the economic interests described in Section 9 and in the CRBV NPI Agreement, and the associated Tangibles and Miscellaneous Interests (as defined in the ACA), in each case, solely to the extent relating to the Exploration License interests subject to such Right of First Refusal, in order to enable PTI to make all appropriate conveyances to Tiway and, upon receipt of the purchase price funds paid by Tiway upon exercise of its Right of First Refusal, PTI shall promptly pay such funds over to CRBV.

11.3 In the event Tiway does not exercise its Right of First Refusal, TBNG, PTI and CRBV shall execute the Deed of Assignment, Assumption and Consent to Joint Operating Agreement attached hereto as Exhibit "W" (the "Assumption Agreement") and shall use their best efforts to have Tiway execute the Assumption Agreement as well. The Parties acknowledge and agree that, until such time as the participating interests in and under the Offshore JOA to be assigned to CRBV, have been assigned to CRBV the economic benefits associated with such participating interests shall be held in trust for the sole benefit of CRBV, and the economic obligations and liabilities associated with such participating interests shall be solely CRBV's obligations and expenses.

12. Representations of Parties

Each of the Parties represents warrants to each of the other Parties that it has obtained the necessary board approvals for the transactions contemplated or described in this Agreement.

13. Mutual Covenants of the Parties

Each Party covenants with the other Parties that it will not amend any of the Definitive Agreements to which it is a party without first obtaining the written consent of MMC, TWL, PTI Holdings and Valeura.

14. Farm-In Agreement

The TPL, TWL and VEI shall negotiate in good faith a farmin agreement pursuant to which Valeura shall have the right to acquire a 50% undivided interest in two certain license numbers (as described in clause 10 of the Valeura Offer Letter), together with all associated tangibles, seismic, contracts and other interests (the "Additional Assets") by:

(a) expending $US 1,500,000 on seismic in respect of the lands governed by one of the licenses and drilling a well thereon to a depth of no less than 1500 meters from surface, and upon incurring such seismic expenditures and completion of such drilling operations Valeura shall have earned a 50% undivided interest in such license, free and clear of all royalties and encumbrances other than Valeura's proportionate share of the royalty payable under the license; and

(b) expending $US 1,500,000 on seismic in respect of the lands governed by the other license and drilling a well thereon to a depth of no less than 1500 meters from surface, and upon incurring such seismic expenditures and completion of such drilling operations Valeura shall have earned a 50% undivided interest in such license, free and clear of all royalties and encumbrances other than Valeura's proportionate share of the royalty payable under the license.

From and after the date hereof TPL and TWL shall make available to Valeura all information pertaining to the Additional Assets which is in either of their possession, or to which either of them have access. The farmin agreement shall also grant a right of first offer to Valeura in respect of any sale, assignment or other disposition by TransAtlantic of any interests in either of the licenses (as described in the Valeura Offer Letter). The parties shall use their reasonable commercial efforts to finalize, execute and deliver the farmin agreement concurrently with Closing or as soon as possible thereafter.

15. Cooperation on Tax Matters

15.1 The Parties shall cooperate fully, as and to the extent reasonably requested by each other Party, in connection with the filing of all Tax Returns of TBNG, PTI and/or CRBV and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon another Party's request) the provision of records and information which are reasonably relevant to any such audit, litigation or other proceeding, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. MMC and TWL agree (a) to retain all books and records with respect to Tax matters pertinent to TBNG or PTI relating to any taxable period beginning before the Effective Date until the expiration of the statute of limitations (and, to the extent notified by any Party, any extension thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any taxing authority, and (b) to give each other Party reasonable written notice prior to transferring, destroying or discarding any such books and records, and if any other Party so requests, MMC and/or TWL shall allow each other Party to take possession of, or make copies of, such books and records. PTI Holdings agrees to retain all books and records in its possession or under its control with respect to Tax matters pertinent to PTI relating to any taxable period beginning before the Effective Date until the expiration of the statute of limitations of the respective taxable periods, and to abide by all record retention agreements entered into with any taxing authority

15.2 The Parties further agree, upon request, to use their reasonable best efforts to obtain any certificate or other document from any governmental authority or any other Person as may be necessary with respect to any Tax that could be imposed on any of the Parties with respect to the transactions contemplated hereby.

16. Intentionally Deleted

17. Indemnification and Sharing of Escrow

The Option Agreement contemplates that the TA Stock payable to MMC as part of the consideration for the TBNG Shares be delivered to the Escrow Agent to be held under the terms of the Escrow Agreement that was to be executed at Closing. The First Amendment to the TBNG Share Purchase Agreement requires TWL to deliver the TA Stock to the Escrow Agent (as provided for in the Restated Escrow Agreement referenced below) upon receipt of NYSE/AMEX Exchange approval and MMC shall deliver one executed, undated, blank stock power for each stock certificate representing the TA Stock. The form of the original Escrow Agreement, which was attached as Exhibit 2.23 to the Option Agreement, shall be replaced at Closing with the Restated Escrow Agreement.

18. Miscellaneous

18.1 Expenses. Each Party to this Agreement will bear its respective expenses incurred in connection with the preparation and execution of this Agreement, each Share Purchase Agreement, and each other agreement contemplated herein to which it is a party, including all fees and expenses of agents, representatives, counsel, and accountants.

18.2 Public Announcements. No Party will issue any public announcement or similar publicity with respect to this Agreement without the prior written consent of the other Parties; provided, however, that any Party may make any public disclosure they believe in good faith, based upon advice of counsel, is required by any Legal Requirement or the policies of any applicable stock exchange (in which case the disclosing Party will advise the other Parties prior to making the disclosure).

18.3 Confidentiality.

(a) Between the date of this Agreement and the Closing Date, the Parties will maintain in confidence, and will cause the directors, officers, employees, agents, and advisors of the Parties to maintain in confidence, any written, oral, or other information obtained in confidence from another Party in connection with this Agreement or the transactions contemplated hereby, unless (a) such information is already known to such Party or to others not bound by a duty of confidentiality or such information becomes publicly available through no fault of such Party, (b) the use of such information is necessary or appropriate in making any filing or obtaining any consent or approval required for the consummation of the transactions contemplated hereby, or (c) the furnishing or use of such information is required by any Legal Requirement, the policies of any applicable stock exchange or in connection with any dispute or related proceeding.

(b) If the transactions contemplated hereby and in the Share Purchase Agreements are not consummated, each Party will return or destroy as much of such written information as another Party may reasonably request, except if and to the extent such information may be required in connection with any dispute or related proceeding (whether commenced, pending or contemplated).

18.4 Notices. All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by facsimile (with written confirmation of receipt) or electronic mail, provided that a copy is mailed by registered mail, return receipt requested, or (c) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses and facsimile numbers set forth below (or to such other addresses and facsimile numbers as a Party may designate by notice to the other Parties). A copy of any notice, consent, waiver or other communications shall also be sent by electronic mail to the recipient's address set forth below; provided, however, that the failure to comply with this requirement shall not affect the effectiveness of such notice, consent, waiver or other communication if the other provisions of this Section 18.4 are followed.

MMC:

Mustafa Mehmet Corporation
ATTN: Harvey R. Clapp, III
5030 Anchor Way
Christiansted, Vl 00820
Phone: 340-719-3885
Facsimile No.: 340-719-3888
E-Mail: hrclapp3@aol.com

with a copy to:

Donovan M. Hamm, Jr., Esq.
Hamm Law Firm
5030 Anchor Way
Christiansted, VI 00820-4521
Phone: 340-773-6955
Facsimile No.: 340-773-3092
E-Mail: dmh@hammlawvi.com

TPL and TWL:

TransAtlantic Worldwide, Ltd.
ATTN: Scott C. Larsen
5910 N. Central Expressway, Suite 1755
Dallas, Texas 75206
Phone: 214-220-4323
Fax: 214-265-4711
E-Mail: scott.larsen@tapcor.com

with a copy to:

Jeff Mecom
Executive Vice President
TransAtlantic Petroleum Ltd.
5901 N. Central Expressway, Suite 1755
Dallas, Texas 75206
Phone: 214-220-4323
Fax: 214-265-4711
E-Mail: jeff.mecom@tapcor.com

VEI:

Valeura Energy Inc.
ATTN: Jim McFarland
550, 333-11th Avenue SW
Calgary, AB
T2R 1L9
Phone: 403.237.7102
Fax: 403-237-7103
E-Mail: jmcfarland@valeuraenergy.com

Valeura:

Valeura Energy (Netherlands) Coöperatief U.A.
Locatellikade 1
(1076 AZ) Amsterdam, the Netherlands
Phone: +31 (0) 20 5755600
Fax: +31 (0) 20 6730016

with a copy to VEI at the address above.

PTI Holdings:

Pinnacle Turkey Holding Company, LLC
ATTN: Peter M. Dobelbower, Manager
7701 SW 44th Street
Oklahoma City, OK 73179
Phone: (405) 745-1720
Fax: (405) 745-1721
E-Mail: peter.dobelbower@hobbylobby.com

with copies to:

Tom Blalock
Commercial Law Group, P.C
5520 North Francis Avenue
Oklahoma City, OK 73118
Phone: (405) 254-5727
Fax: (405) 232-5553
E-Mail: tblalock@clgroup.org

TBNG:

TransAtlantic Worldwide, Ltd.
ATTN: Scott C. Larsen
5910 N. Central Expressway, Suite 1755
Dallas, Texas 75206
Phone: 214-220-4323
Fax: 214-265-4711
E-Mail: scott.larsen@tapcor.com

with a copy to:

Jeff Mecom
Executive Vice President
TransAtlantic Petroleum Ltd.
5901 N. Central Expressway, Suite 1755
Dallas, Texas 75206
Phone: 214-220-4323
Fax: 214-265-4711
E-Mail: jeff.mecom@tapcor.com

PTI:

Pinnacle Turkey Holding Company, LLC
ATTN: Peter M. Dobelbower, Manager
7701 SW 44th Street
Oklahoma City, OK 73179
Phone: (405) 745-1720
Fax: (405) 745-1721
E-Mail: peter.dobelbower@hobbylobby.com

with copies to:

Tom Blalock
Commercial Law Group, P.C.
5520 North Francis Avenue
Oklahoma City, OK 73118
Phone: (405) 254-5727
Fax: (405) 232-5553
E-Mail: tblalock@clgroup.org

CRBV:

Corporate Resources B.V.
Locatellikade 1
(1076 AZ) Amsterdam, the Netherlands
Phone: +31 (0) 20 5755600
Fax: +31 (0) 20 6730016

with a copy to VEI at the address above.

18.5 Further Assurances. The Parties agree (a) to furnish upon request to each other such further information, (b) to execute and deliver to each other such other documents, and (c) to do such other acts and things, all as another Party may reasonably request for the purpose of carrying out the intent of this Agreement, each Share Purchase Agreement, the ACA, each ATA and the documents referred to in this Agreement, each Share Purchase Agreement, the ACA and each ATA.

18.6 Waiver. The rights and remedies of the Parties to this Agreement are cumulative and not alternative. Neither the failure nor any delay by any Party in exercising any right, power, or privilege under this Agreement or the documents referred to in this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. No waiver shall be effective unless made in writing, and will only be applicable in the specific instance given.

18.7 Entire Agreement and Modification. This Agreement (including all Exhibits and Schedules hereto) supersedes the Option Agreement and the Valeura Offer Letter and constitutes (along with the Share Purchase Agreements, the ACA, each ATA and the other documents referred to in this Agreement, other than the Option Agreement and the Valeura Offer Letter) a complete and exclusive statement of the terms of the agreement among the Parties with respect to its subject matter. This Agreement may not be amended except by a written agreement executed by each Party.

18.8 Exhibits. In the event of any inconsistency between the statements in the body of this Agreement and those in the Exhibits attached hereto, the statements in the body of this Agreement will control.

18.9 Assignments, Successors, and No Third-Party Rights.

(a) No Party may assign any of its rights under this Agreement without the prior consent of the other Parties.

(b) This Agreement will apply to, be binding in all respects upon, and inure to the benefit of the successors and permitted assigns of the Parties.

(c) Nothing expressed or referred to in this Agreement will be construed to give any Person, other than the Parties to this Agreement, any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement.

(d) This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the Parties to this Agreement and their successors and permitted assigns.

18.10 Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

18.11 Section Headings; Construction. The headings of Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All references to "Section" or "Sections" refer to the corresponding Section or Sections of this Agreement. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. Unless otherwise expressly provided, the word "including" does not limit the preceding words or terms.

18.12 Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

18.13 Governing Law. This Agreement and the rights and obligations of the parties under this Agreement shall be governed by and construed in accordance with the laws of the State of New York, including section 5-1401 of the General Obligations Law of such state, but otherwise without reference to the laws of such jurisdiction regarding conflicts of law.

18.14 Dispute Resolution.

(a) Notification. If any Party desires to submit a dispute, controversy or claim of any kind or nature under or in connection with this Agreement (a "Dispute") for resolution, such party shall commence the dispute resolution process by providing the other parties to the Dispute written notice of the Dispute ("Notice of Dispute"). The Notice of Dispute shall identify the parties to the Dispute and contain a brief statement of the nature of the Dispute and the relief requested. The submission of a Notice of Dispute shall toll any applicable statutes of limitation related to the Dispute, pending the conclusion or abandonment of dispute resolution proceedings under this Section 18.14.

(b) Negotiations. The Parties to the Dispute shall seek to resolve any Dispute by negotiation between Senior Executives. A "Senior Executive" means any individual who has authority to negotiate the settlement of the Dispute for a party. Within thirty (30) days after the date of the receipt by each party to the Dispute of the Notice of Dispute (which notice shall request negotiations among Senior Executives), the Senior Executives representing the parties to the Dispute shall meet at a mutually acceptable time and place to exchange relevant information in an attempt to resolve the Dispute. If a Senior Executive intends to be accompanied at the meeting by an attorney, each other party's Senior Executive shall be given written notice of such intention at least three (3) days in advance and may also be accompanied at the meeting by an attorney. Notwithstanding the above, any party may initiate arbitration proceedings pursuant to Section 18.14(c) concerning such Dispute.

(c) Arbitration. Any Dispute not finally resolved by alternative dispute resolution procedures set forth in Section 18.14(b) shall be exclusively and definitively resolved through final and binding arbitration, it being the intention of the parties that this is a broad form arbitration agreement designed to encompass all possible disputes.

(i) Rules. The arbitration shall be conducted in accordance with the Rules of Arbitration of the International Chamber of Commerce (as then in effect) (the "Rules").

(ii) Number of Arbitrators. The arbitration shall be conducted by three arbitrators, unless all parties to the Dispute agree to a sole arbitrator within thirty (30) days after the filing of the arbitration. For greater certainty, for purposes of this Section 18.14(c), the filing of the arbitration means the date on which the claimant's request for arbitration is received by the other parties to the Dispute.

(iii) Intentionally Deleted.

(iv) Consolidation. If the parties initiate multiple arbitration proceedings, the subject matters of which are related by common questions of law or fact and which could result in conflicting awards or obligations, then all such proceedings may be consolidated into a single arbitral proceeding.

(v) Place of Arbitration. Unless otherwise agreed by all parties to the Dispute, the place of arbitration shall be New York, New York, United States of America.

(vi) Language. The arbitration proceedings shall be conducted in the English language and the arbitrator(s) shall be fluent in the English language.

(vii) Entry of Judgment. The award of the arbitral tribunal shall be final and binding. Judgment on the award of the arbitral tribunal may be entered and enforced by any court of competent jurisdiction.

(viii) Notice. All notices required for any arbitration proceeding shall be deemed properly given if sent in accordance with Section 18.4.

(ix) Qualifications and Conduct of the Arbitrators. All arbitrators shall be and remain at all times wholly impartial, and, once appointed, no arbitrator shall have any *ex parte* communications with any of the parties to the Dispute concerning the arbitration or the underlying Dispute other than communications directly concerning the selection of the presiding arbitrator, where applicable. Whenever the parties to the Dispute are of more than one nationality, the single arbitrator or the presiding arbitrator (as the case may be) shall not be of the same nationality as any of the parties or their ultimate parent entities, unless the parties to the Dispute otherwise agree.

(x) Intentionally Deleted.

(xi) Costs and Attorneys' Fees. The arbitral tribunal is authorized to award costs and attorneys' fees and to allocate them between the Parties to the Dispute. The costs of the arbitration proceedings, including attorneys' fees, shall be borne in the manner determined by the arbitral tribunal.

(xii) Interest. The award may include interest, as determined by the arbitral award, from the date of any default or other breach of this Agreement until the arbitral award is paid in full. The rate of interest shall be determined by the arbitral award.

(xiii) Currency of Award. The arbitral award shall be made and payable in United States dollars, free of any tax or other deduction.

(xiv) Exemplary Damages. The parties waive their rights to claim or recover, and the arbitral tribunal shall not award, any punitive, multiple, or other exemplary damages (whether statutory or common law) except to the extent such damages have been awarded to a third party and are subject to allocation between or among the parties to the Dispute.

(xv) Waiver of Challenge to Decision or Award. To the extent permitted by law, any right to appeal or challenge any arbitral decision or award, or to oppose enforcement of any such decision or award before a court or any governmental authority, is hereby waived by the parties except with respect to the limited grounds for modification or non-enforcement provided by any applicable arbitration statute or treaty.

18.15 BAR. At any time prior to Closing or in the three (3) years following Closing, should VEI require, pursuant to applicable Canadian securities laws and regulations, any operating statements or financial information with respect to the CRBV Production Lease Interests or the CRBV Exploration License Interests for any period(s) during which the CRBV Production Lease Interests or the CRBV Exploration License Interests were owned by TBNG, PTI or MMC, as applicable, each of TBNG, PTI and MMC shall provide access to VEI during normal business hours to their applicable books and records that are necessary for the review of such financial information and preparation of such operating statement(s) during such period(s) and, if required by applicable Canadian securities laws and regulations, shall allow an auditing firm to prepare any necessary audit opinions. Any audit required for the preparation of any audited operating statements shall be performed by VEI's auditor, or if such auditor is unable or unwilling to perform such audit, by a firm of independent auditors selected by VEI with the consent of TBNG, PTI or MMC, as applicable, acting reasonably, and, in either case, VEI shall be responsible for all costs incurred in connection with the audit and the preparation of any statements or reports. If required by VEI, acting reasonably, TBNG, PTI and MMC shall provide access to their respective books and records to VEI or any employees, consultants, financial or legal advisors or other representatives of VEI. If the auditor requires the assistance of any of TBNG's, PTI's or MMC's personnel to find, collect or interpret the necessary information from such entity's records, then TBNG, PTI, and/or MMC as applicable, shall cause reasonable assistance to be provided and VEI shall pay reasonable hourly costs to TBNG, PTI and MMC, as applicable, as compensation for the time devoted by such personnel.

18.16 Counterparts. This Agreement may be executed in one or more counterparts, including by facsimile signature, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

[Signature Page To Follow]

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement as of the date first above written.

MMC:

MUSTAFA MEHMET CORPORATION

By: /s/ Harvey R. Clapp, III
Name: Harvey R. Clapp, III
Title: President

TPL:

TRANSATLANTIC PETROLEUM LTD.

By: /s/ Jeffrey S. Mecom
Name: Jeffrey S. Mecom
Title: Vice President

TWL:

TRANSATLANTIC WORLDWIDE, LTD.

By: /s/ Jeffrey S. Mecom
Name: Jeffrey S. Mecom
Title: Vice President

VEI:

VALEURA ENERGY INC.

By: /s/ James D. McFarland
Name: James D. McFarland
Title: President and Chief Executive Officer

VALEURA:

VALEURA ENERGY (NETHERLANDS) COÖPERATIEF U.A.

By: /s/ James D. McFarland
Name: James D. McFarland
Title: Director

VALEURA ENERGY (NETHERLANDS) COÖPERATIEF U.A.

By: TMF Management B.V.

By: /s/ Lucas Duysens
Name: Lucas Duysens
Title: Attorney-in-Fact

PTI HOLDINGS:

PINNACLE TURKEY HOLDING COMPANY, LLC

By: /s/ Peter M. Dobelbower
Name: Peter M. Dobelbower
Title: Manager

TBNG:

THRACE BASIN NATURAL GAS (TURKIYE) CORPORATION

By: /s/ Harvey R. Clapp, III
Name: Harvey R. Clapp, III
Title: Director

PTI:

PINNACLE TURKEY, INC.

By: /s/ Harvey R. Clapp, III
Name: Harvey R. Clapp, III
Title: Director

CRBV:

CORPORATE RESOURCES B.V.

By: TMF Management B.V.

By: /s/ Lucas Duysens
Name: Lucas Duysens
Title: Attorney-in-Fact

Exhibit 10.10

ESCROW AGREEMENT

This **ESCROW AGREEMENT** (this "Agreement") is entered into this 6th day of June, 2011 (the "Effective Date") by and among MUSTAFA MEHMET CORPORATION, an exempt company organized under the laws of the United States Virgin Islands ("MMC"), TRANSATLANTIC WORLDWIDE, LTD., an international business company organized under the laws of the Commonwealth of the Bahamas ("TWL"), TRANSATLANTIC PETROLEUM LTD., an exempt company with limited liability organized under the laws of Bermuda ("TPL"), PINNACLE TURKEY HOLDING COMPANY, LLC, a Delaware limited liability company ("PT Holding"), VALEURA ENERGY (NETHERLANDS) COOPERATIEF U.A., a cooperative with exclusion of liability incorporated under the laws of the Netherlands ("Valeura"), and AMERICAN ESCROW COMPANY, a Texas corporation (" Escrow Agent"). Each of MMC, TWL, TPL, PT Holding, Valeura and Escrow Agent shall be referred to herein individually from time to time as a "Party" and collectively as the "Parties".

WHEREAS, MMC and TWL have entered into that certain Share Purchase Agreement dated April 23, 2011, as amended (the "TBNG SPA"),

WHEREAS, MMC and PT Holding have entered in that certain Share Purchase Agreement of even date (the "PTI SPA");

WHEREAS, MMC and Valeura have entered into that certain Share Purchase Agreement of even date (the "CRBV SPA");

WHEREAS, the Parties hereto and certain other parties have entered into that certain Multi-Party Agreement of even date, a provision of which relates to the establishment of an escrow pursuant to which MMC will deposit into escrow (i) the TA Stock (as defined below) to be issued to MMC pursuant to the TBNG SPA and (ii) one undated, blank stock power duly executed by MMC for each share certificate representing the TA Stock; and

WHEREAS, the escrow to be established by this Agreement will be established for the benefit of each of TWL, PT Holding and Valeura.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

1. Defined Terms. The following capitalized terms shall have the meanings set forth below:

1.1 "Claim Deadline" shall mean 5:00 p.m. CDT on the one year anniversary of the Effective Date.

1.2 "Claim Notice" shall have the meaning set forth in Section 3.1, below.

1.3 "Common Stock" shall mean the common stock, US $0.01 par value per share, of TPL.

1.4 "Confirming Notice" shall have the meaning set forth in Section 3.3, below.

1.5 "Escrowed Instruments" shall mean all stock certificates representing shares of Common Stock of TPL, all dividends which may be declared on such Common Stock during the term of this Agreement, all Additional Equity Securities (defined in Section 2.3 hereof) and all stock powers on deposit with Escrow Agent from time to time pursuant to the terms of this Agreement.

1.6 "Estimated Damages" shall mean the US dollar amount set forth in a Claim Notice in good faith as estimated damages for any Indemnification Claim by any of TWL, PT Holding or Valeura.

1.7 "Fair Market Value" shall mean the volume weighted average price per share of the Common Stock on the NYSE Amex Stock Exchange for the five (5) trading days prior to the date specified for the calculation thereof.

1.8 "Indemnification Claim" shall mean any indemnification claim made by TWL, PT Holding or Valeura pursuant to their respective Share Purchase Agreement.

1.9 "Indemnified Damages" shall have the meaning set forth in Section 4.3(a).

1.10 "Joint Notice" shall mean the notice executed by two or more Parties (other than Escrow Agent) and delivered to Escrow Agent and each other Party pursuant to Section 4 of this Agreement. Each Joint Notice shall identify the specific provision of this Agreement pursuant to which it is being delivered. Each Joint Notice may be executed in counterparts.

1.11 "Paid Shares" shall mean that number of shares of Common Stock to be retained by TPL or transferred to PT Holding or Valeura pursuant to Section 4.3 as a result of the final resolution of an Indemnification Claim, calculated as follows: (i) Indemnified Damages divided by (ii) the Fair Market Value for the Common Stock as of the day prior to the date of the Joint Notice relating thereto. When determining the number of Paid Shares, fractional shares shall be rounded to the nearest number of full shares.

1.12 "Remainder Shares" shall mean that number of shares, calculated as of the Claim Deadline as follows: 18,500,000 shares, minus the Reserved Shares.

1.13 "Reserved Shares" shall mean that number of shares of Common Stock calculated as follows: (i) the amount of Estimated Damages as set forth in a Claim Notice multiplied by 1.5, and then divided by (ii) the Fair Market Value as of the day of the Claim Deadline. When determining the number of Reserved Shares, fractional shares shall be rounded to the nearest number of full shares.

1.14 "Share Purchase Agreement" means each of the TBNG SPA, the PTI SPA and the CRBV SPA.

1.15 "TA Stock" shall mean 18,500,000 shares of Common Stock to be issued to MMC pursuant to the TBNG SPA.

2. Establishment of Escrow.

2.1 Upon execution and delivery by all Parties of this Agreement and the closing of the TBNG SPA, the PTI SPA and the CRBV SPA, MMC shall deposit with Escrow Agent the TA Stock and one undated, blank stock power duly executed by MMC for each certificate representing the TA Stock. The Escrowed Instruments shall be held in escrow by Escrow Agent pursuant to the terms of this Agreement. The Parties (other than Escrow Agent) acknowledge and agree that the Escrowed Instruments are being held in escrow as collateral for the indemnification obligations of MMC under each of the TBNG SPA, the PTI SPA and the CRBV SPA.

2.2 If during the term of this Agreement any dividends are declared in respect of any of the TA Stock held in escrow pursuant to this Agreement, TWL and TPL shall cause those dividends to be advanced to the Escrow Agent, who shall hold and release same in accordance with this Agreement.

2.3 If during the term of this Agreement MMC receives any other securities (the "Additional Escrow Securities") (a) as a divided or other distribution on the TA Stock, (b) on a subdivision, or compulsory or automatic conversion or exchange of the TA Stock, or (c) from a successor issuer in a business combination that TPL completes, then MMC will deposit such Additional Escrow Securities in escrow with the Escrow Agent. MMC will deliver or cause to be delivered to the Escrow Agent any share certificates or other evidence of the Additional Escrow Securities, along with a duly executed blank stock power for each share certificate delivered. When this Agreement refers to the TA Stock, it includes any Additional Escrow Securities. MMC will immediately deliver to the Escrow Agent any replacement share certificates or other evidence of Additional Escrow Securities issued to MMC.

3. Claim Notices.

3.1 In the event any of TWL, TPL, PT Holding or Valeura believes it has an Indemnification Claim under its respective Share Purchase Agreement, the claiming party shall be entitled to send a notice on or prior to the Claim Deadline (each, a "Claim Notice") to Escrow Agent and each other Party to this Agreement, which Claim Notice shall set forth the following: (i) a description of the Indemnification Claim citing with specificity the provisions in its respective Share Purchase Agreement under which such claim is being made, and (ii) the amount of the Estimated Damages.

3.2 Upon receipt of a Claim Notice, Escrow Agent shall send each other Party a notice (each, a "Confirming Notice") confirming its receipt of the Claim Notice and the Estimated Damages claimed thereunder.

4. Release from Escrow.

4.1 In the event no Claim Notices are delivered on or before the Claim Deadline, Escrow Agent without any further communication or notice from any Party shall release the Escrowed Instruments to MMC and the escrow contemplated herein shall be closed.

4.2 In the event one or more Claim Notices remain outstanding as of the Claim Deadline, TWL, TPL, PT Holding, Valeura and MMC shall execute and deliver to Escrow Agent a Joint Notice (i) directing Escrow Agent to release to TPL the Escrowed Instruments, (ii) directing TPL to cause its transfer agent to issue and deliver one or more certificates in the name of MMC representing the Reserved Shares for all outstanding Indemnification Claims and to deliver such certificates to Escrow Agent (the escrow contemplated herein remaining open), and (iii) directing TPL to cause its transfer agent to issue and deliver one or more certificates in the name of MMC representing the Remainder Shares and provide same to TPL. Upon receipt by TPL of the Joint Notice and the Escrowed Instruments pursuant to this Section 4.2, TPL shall cause its transfer agent to reissue the TA Stock into the number of shares representing the Reserved Shares and the number of shares representing the Remainder Shares. Upon receipt by Escrow Agent of one undated, blank stock power duly executed by MMC for each share certificate representing the Reserved Shares, TPL shall deliver (x) to Escrow Agent the share certificates representing the Reserved Shares and (y) to MMC one or more share certificates representing the Remainder Shares and any associated dividends thereon.

4.3 Upon final resolution of all Indemnification Claims pursuant to the Share Purchase Agreements, if MMC is determined to be responsible to pay any damages to any of TWL, TPL, PT Holding or Valeura, then the following shall apply:

(a) TWL, TPL, PT Holding, Valeura and MMC shall immediately after the final resolution of all such Indemnification Claims specify in a Joint Notice to Escrow Agent: (i) the amount of damages (the "Indemnified Damages") payable to each of TWL, PT Holding and Valeura, if any, as a result of any such final resolution, (ii) the Fair Market Value of the Common Stock as of the day prior to the date of such Joint Notice, and (iii) the number of Paid Shares to be retained by TPL or transferred to PT Holding or Valeura in satisfaction of the Indemnified Damages.

(b) Upon receipt of such Joint Notice specified in Section 4.3(a), Escrow Agent shall forthwith deliver the Escrowed Instruments then held by it to TPL. Upon receipt of the Escrowed Instruments, TPL shall (i) retain the number of shares representing its Paid Shares if TWL is an indemnified party, (ii) forthwith cause its transfer agent to issue and deliver to PT Holding and/or Valeura, as appropriate, one or more share certificates representing their Paid Shares if either or both are the indemnified parties entitled to Indemnified Damages, together with any dividends thereon, and (iii) forthwith cause its transfer agent to issue in the name of MMC and deliver to MMC one or more share certificates representing the balance of the Reserved Shares at that time as contemplated pursuant to Section 4.5. together with any dividends thereon.

(c) If multiple Parties are entitled to Indemnified Damages, in the event the aggregate of (i) the number of shares TPL is entitled to retain and (ii) the

number of shares PT Holding and Valeura are entitled to be transferred pursuant to this Section 4.3 exceeds the number of shares of Common Stock then held by Escrow Agent, then the number of shares of Common Stock to be retained by TPL or to be transferred to PT Holding or Valeura shall be pro-rated among TWL, PT Holding and Valeura based on the amount of the Indemnified Damages each such Party is entitled to and the aggregate amount of all Indemnified Damages all such parties are entitled to, without limiting any right of such Party to claim against MMC for a deficiency.

4.4 If MMC is determined to be not responsible to pay any Indemnified Damages to any of TWL, TPL, PT Holding and Valeura upon the final resolution of all Indemnification Claims, then such Parties (as appropriate, each in its capacity as a claiming party which has previously delivered a Claim Notice to Escrow Agent pursuant to Section 3.1 of this Agreement) and MMC shall instruct Escrow Agent in a Joint Notice to release the Escrowed Instruments to MMC. Any notice given under this Section 4.4 may only be given on or after the first anniversary of this Agreement.

4.5 After the first anniversary of the Effective Date, to the extent there are still any Reserved Shares held by the Escrow Agent after all Indemnification Claims are finally resolved and the TA Stock is retained, transferred or released by or to the Parties pursuant to the other provisions of this Section 4, then the Parties (other than Escrow Agent) shall execute and deliver a Joint Notice to Escrow Agent, directing Escrow Agent to release such Reserved Shares (and all dividends thereon) to MMC.

5. Escrow Agent Provisions.

5.1 Escrow Agent is not a party to, or bound by, any agreement or instruments which may be deposited under, evidenced by, or which arises out of this Agreement.

5.2 Escrow Agent acts hereunder as a depository only and is not responsible or liable in any manner whatever for the sufficiency, correctness, genuineness, or validity of any instrument deposited with it hereunder, or with respect to the form or execution of the same, or the identity, authority, or rights of any person executing or depositing the same.

5.3 Escrow Agent shall not be required to take or be bound by notice of any default of any person, or to take any action with respect to such default involving any expense or liability, unless notice in writing is given to Escrow Agent consistent with the terms of this Agreement. This Agreement shall not be subject to rescission or modification except upon receipt by Escrow Agent of written instructions of all other Parties hereto or their successors in interest, and no such modification shall be effective unless and until consented to in writing by Escrow Agent.

5.4 Escrow Agent shall be protected in acting upon any notice, request, waiver, consent, receipt, or other paper or document believed by Escrow Agent to be genuine and to be signed by the proper Party or Parties.

5.5 Escrow Agent shall not be liable for any error of judgment or for any act done or step taken or omitted by it in good faith, or for any mistake of fact or law, or for

anything which it may do or refrain from doing in connection herewith, except its own willful misconduct, and Escrow Agent shall have no duties to anyone except the Parties hereto.

5.6 Escrow Agent may consult with legal counsel in the event of any dispute or questions regarding this Agreement, or Escrow Agent's duties hereunder, and Escrow Agent shall incur no liability and shall be fully protected in acting in accordance with the opinion and instructions of such counsel.

5.7 Escrow Agent assumes no liability and the Parties hereto consent and agree that Escrow Agent shall have no liability for any defalcation, insolvency, receivership or conservatorship of the depository institution.

5.8 Escrow Agent shall have no liability due to the filing by any of the Parties (other than Escrow Agent) for bankruptcy or the consequences or effect of such a bankruptcy on the funds and/or documents deposited hereunder.

5.9 For its services hereunder, Escrow Agent shall be entitled to the fees as set forth on Exhibit "A" attached hereto. Such fees shall be borne equally among MMC, TWL, PT Holding and Valeura.

5.10 The Parties hereto further agree that Escrow Agent assumes no liability for and is expressly released from any claim or claims whatsoever in connection with the receiving, retaining and delivering of the Escrowed Instruments except to account for delivery made thereon. Deposit by Escrow Agent of the Escrowed Instruments comprising the escrow contemplated herein into any court shall relieve Escrow Agent of all further responsibility and liability. Escrow Agent is hereby expressly authorized to disregard in its sole discretion any and all notices or warnings given by any of the Parties hereto (other than a fully executed Joint Notice given pursuant to Section 4 of this Agreement), or by any other person or corporation. Escrow Agent is hereby expressly authorized to regard and to comply with and obey any and all orders, judgments or decrees entered or issued by any court with or without jurisdiction, and in case Escrow Agent obeys or complies with any such order, judgment or decree, it shall not be liable to any of the Parties hereto or to any other person, firm or corporation by reason of such compliance, notwithstanding any such order, judgment or decree be entered without jurisdiction or be subsequently reversed, modified, annulled, set aside or vacated. In case of any suit or proceeding regarding the escrow contemplated herein into which Escrow Agent is or may be at any time a party, it shall have a lien on the contents hereof for any and all cost, attorneys' fees, whether such attorneys shall be regularly retained or specially employed, and other expenses which it may have incurred or become liable for on account thereof, and it shall be entitled to reimburse itself therefor out of said deposit. The Parties, other than Escrow Agent, jointly and severally agree to indemnify and hold harmless Escrow Agent from all loss, costs or damages incurred, including but not limited to attorneys' fees, by reason of this Agreement or the subject matter hereof or any cause of action which may be filed in connection therewith and to pay Escrow Agent, upon demand, all such costs, fees and expenses so incurred.

5.11 In the event that Escrow Agent performs any service not specifically provided hereinabove, or that there is any assignment or attachment of any interest in the subject matter of this escrow or any modification thereof, or that any controversy arises hereunder, or that Escrow Agent is made a party to, or intervenes in, any litigation pertaining to this escrow or the subject matter hereof, Escrow Agent shall be reasonably compensated therefor and reimbursed for all costs and expenses occasioned thereby; and the Parties hereto agree jointly and severally to pay the same and to indemnify Escrow Agent against any loss, liability, or expense incurred in any act or thing done by it hereunder. Notwithstanding any of the provisions set forth in this Section 5, Escrow Agent may interplead the subject matter of this escrow into any court of competent jurisdiction in Dallas County, Texas, and the act of such interpleader shall immediately relieve Escrow Agent of its duties, liabilities, and responsibilities hereunder.

6. General Provisions.

6.1 Notices. All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by facsimile (with written confirmation of receipt) or electronic mail, provided that a copy is mailed by registered mail, return receipt requested, or (c) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses and facsimile numbers set forth below (or to such other addresses and facsimile numbers as a Party may designate by notice to the other Parties). A copy of any notice, consent, waiver or other communications shall also be sent by electronic mail to the recipient's address set forth below; provided, however, that the failure to comply with this requirement shall not affect the effectiveness of such notice, consent, waiver or other communication if the other provisions of this Section 6.1 are followed.

MMC:

Mustafa Mehmet Corporation
ATTN: Harvey R. Clapp, III
5030 Anchor Way
Christiansted, Vl 00820
Phone: 340-719-3885
Facsimile No.: 340-719-3888
E-Mail: hrclapp3@aol.com

with a copy to:

Donovan M. Hamm, Jr., Esq.
Hamm Law Firm
5030 Anchor Way
Christiansted, VI 00820-4521
Phone: 340-773-6955
Facsimile No.: 340-773-3092
E-Mail: dmh@hammlawvi.com

TPL and TWL:

TransAtlantic Worldwide, Ltd.
ATTN: Scott Larsen
5910 N. Central Expressway, Suite 1755
Dallas, Texas 75206
Phone: 214-220-4323
Facsimile No.: 214-265-4711
E-Mail: scott.larsen@tapcor.com

with a copy to:

Jeff Mecom
Executive Vice President
TransAtlantic Petroleum Ltd.
5901 N. Central Expressway, Suite 1755
Dallas, Texas 75206
Phone: 214-220-4323
E-Mail: jeff.mecom@tapcor.com

Valeura:

Valeura Energy (Netherlands) COOP
Locatellikade 1, 1076 AZ
Amsterdam, Netherlands
ATTN: Johannes Fredericus Verhaert
Phone: +31(0) 205755600
Fax: +31(0) 206730016
E-Mail: frits.verhaert@TMF-Group.com

with a copy to:

Valeura Energy, Inc.
ATTN: James D. McFarland
550, 333-11th Avenue SW
Calgary, AB
T2R 1L9
Phone: 403.237.7102
Fax: 403.237.7103
Email: jmcfarland@valeuraenergy.com

PT Holding:

Pinnacle Turkey Holding Company, LLC
ATTN: Peter M. Dobelbower, Manager
7701 SW 44th Street
Oklahoma City, OK 73179
Phone: (405) 745-1720
Fax: (405) 745-1721
E-Mail: peter.dobelbower@hobbylobby.com

with a copy to:

Tom Blalock
Commercial Law Group, P.C.
5520 North Francis Avenue
Oklahoma City, OK 73118
Phone: (405) 254-5727
Fax: (405) 232-5553
E-Mail: tblalock@clgroup.org

Escrow Agent:

American Escrow Company
ATTN: Carla D. Janousek, CES®
2626 Howell St., 10th Floor
Dallas, Texas 75204
Direct: (214) 855-8879
Fax: (214) 855-8848
E-Mail: cjanousek@republictitle.com

6.2 Entire Agreement and Modification. This Agreement supersedes all prior agreements among the Parties with respect to its subject matter and constitutes a complete and exclusive statement of the terms of the agreement among the Parties with respect to its subject matter. This Agreement may not be amended except by a written agreement executed by all Parties.

6.3 Assignments, Successors, and No Third-Party Rights.

(a) No Party may assign any of its rights under this Agreement without the prior consent of the other Parties.

(b) This Agreement will apply to, be binding in all respects upon, and inure to the benefit of the successors and permitted assigns of the Parties.

(c) Nothing expressed or referred to in this Agreement will be construed to give any person, other than the Parties to this Agreement, any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement.

(d) This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the Parties to this Agreement and their successors and permitted assigns.

6.4 Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

6.5 Governing Law. This Agreement and the rights and obligations of the parties under this Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

6.6 Counterparts. This Agreement may be executed in one or more counterparts, including by facsimile signature, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement effective as of the date first above written.

MMC:

MUSTAFA MEHMET CORPORATION,
an exempt company organized under the laws of the United States Virgin Islands

By: /s/ Harvey R. Clapp, III
Name: Harvey R. Clapp, III
Title: President

TWL:

TRANSATLANTIC WORLDWIDE, LTD.,
an international business company organized under the laws of the Commonwealth of the Bahamas

By: /s/ Jeffrey S. Mecom
Name: Jeffrey S. Mecom
Title: Vice President

TPL:

TRANSATLANTIC PETROLEUM LTD.,
an exempt company with limited liability organized under the laws of Bermuda

By: /s/ Jeffrey S. Mecom
Name: Jeffrey S. Mecom
Title: Vice President

PTI:

PINNACLE TURKEY HOLDING COMPANY, LLC, a Delaware limited liability company

By: /s/ Peter M. Dobelbower
Name: Peter M. Dobelbower
Title: Manager

VALEURA:

VALEURA ENERGY (NETHERLANDS) COOPERATIEF UA.

By: /s/ James D. McFarland
Name: James D. McFarland
Title: Director

VALEURA ENERGY (NETHERLANDS) COOPERATIEF UA.

By: TMF Management B.V.
By: /s/ Lucas Duysens
Name: Lucas Duysens
Title: Attorney-in-Fact

ESCROW AGENT:

AMERICAN ESCROW COMPANY,
a Texas corporation

By: /s/ Carla D. Janousek
Name: Carla D. Janousek
Title: Senior Vice President

EXHIBIT 31.1

CERTIFICATION

I, N. Malone Mitchell, 3rd, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TransAtlantic Petroleum Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2011

/s/ N. Malone Mitchell, 3rd
N. Malone Mitchell, 3rd
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Wil F. Saqueton, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TransAtlantic Petroleum Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2011

/s/ Wil F. Saqueton
Wil F. Saqueton
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), each of the undersigned officers of TransAtlantic Petroleum Ltd. (the "Company"), does hereby certify, to such officer's knowledge, that:

The quarterly report on Form 10-Q for the quarter ended June 30, 2011 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Form 10-Q.

Date: August 8, 2011

/s/ N. Malone Mitchell, 3rd
N. Malone Mitchell, 3rd
Chief Executive Officer

/s/ Wil F. Saqueton
Wil F. Saqueton
Chief Financial Officer

The foregoing certification is being furnished as an exhibit to the Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and, accordingly, is not being filed as part of the Form 10-Q for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.