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

**FORM 10-Q**

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(Mark One)

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

For the quarterly period ended: September 30, 2016

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**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**None**  
(I.R.S. Employer  
Identification No.)

**16803 Dallas Parkway**  
**Addison, Texas**  
(Address of Principal Executive Offices)

**75001**  
(Zip Code)

**Registrant's Telephone Number, Including Area Code: (214) 220-4323**

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 November 8, 2016, the registrant had 47,206,998 common shares outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	September 30, 2016 (unaudited)	December 31, 2015
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 20,605	\$ 7,480
Restricted cash	-	3,758
Accounts receivable, net		
Oil and natural gas sales	18,452	14,169
Joint interest and other	5,625	5,885
Related party	468	414
Prepaid and other current assets	5,177	2,807
Inventory	4,926	-
Derivative asset	-	3,235
Assets held for sale	-	51,511
Total current assets	<u>55,253</u>	<u>89,259</u>
<b>Property and equipment:</b>		
Oil and natural gas properties (successful efforts methods)		
Proved	265,145	271,080
Unproved	29,883	31,135
Equipment and other property	25,575	36,708
	<u>320,603</u>	<u>338,923</u>
Less accumulated depreciation, depletion and amortization	(162,351)	(148,218)
Property and equipment, net	158,252	190,705
<b>Other long-term assets:</b>		
Other assets	5,133	3,355
Note receivable - related party	7,911	11,500
Derivative asset	-	3,370
Total other assets	<u>13,044</u>	<u>18,225</u>
<b>Total assets</b>	<u>\$ 226,549</u>	<u>\$ 298,189</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 11,695	\$ 12,675
Accounts payable - related party	2,764	2,684
Accrued liabilities	16,878	10,583
Loans payable	53,903	37,006
Loans payable - related party	24,143	3,593
Liabilities held for sale - related party	-	3,540
Liabilities held for sale	-	65,649
Total current liabilities	<u>109,383</u>	<u>135,730</u>
<b>Long-term liabilities:</b>		
Asset retirement obligations	9,270	9,237
Accrued liabilities	12,203	11,940
Deferred income taxes	26,810	27,360
Loans payable	9,375	34,400
Loans payable - related party	-	20,600
Total long-term liabilities	<u>57,658</u>	<u>103,537</u>
<b>Total liabilities</b>	<u>167,041</u>	<u>239,267</u>
<b>Commitments and contingencies</b>		
<b>Shareholders' equity:</b>		
Common shares, \$0.10 par value, 100,000,000 shares authorized; 47,205,034 shares and 41,017,777 shares issued and outstanding as of September 30, 2016 and December 31, 2015, respectively	4,721	4,102
Treasury stock	(970)	(970)
Additional paid-in-capital	573,153	569,365
Accumulated other comprehensive loss	(124,867)	(121,590)
Accumulated deficit	(392,529)	(391,985)
Total shareholders' equity	<u>59,508</u>	<u>58,922</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 226,549</u>	<u>\$ 298,189</u>

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

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
<b>Revenues:</b>				
Oil and natural gas sales	\$ 15,483	\$ 17,543	\$ 46,171	\$ 67,464
Sales of purchased natural gas	1,171	756	3,717	1,544
Other	5	38	35	139
<b>Total revenues</b>	<u>16,659</u>	<u>18,337</u>	<u>49,923</u>	<u>69,147</u>
<b>Costs and expenses:</b>				
Production	3,070	3,104	9,025	10,059
Exploration, abandonment and impairment	1,531	3,762	2,964	8,202
Cost of purchased natural gas	1,027	668	3,264	1,403
Seismic and other exploration	3	177	84	328
General and administrative	2,659	4,849	11,401	18,664
Depreciation, depletion and amortization	7,280	8,173	23,053	28,183
Accretion of asset retirement obligations	97	88	285	277
<b>Total costs and expenses</b>	<u>15,667</u>	<u>20,821</u>	<u>50,076</u>	<u>67,116</u>
<b>Operating income (loss)</b>	992	(2,484)	(153)	2,031
<b>Other (expense) income:</b>				
Interest and other expense	(3,836)	(3,159)	(9,106)	(9,610)
Interest and other income	1,009	332	1,411	683
(Loss) gain on commodity derivative contracts	(187)	24,892	(2,419)	25,430
Foreign exchange loss	(390)	(1,221)	(659)	(6,867)
<b>Total other (expense) income</b>	<u>(3,404)</u>	<u>20,844</u>	<u>(10,773)</u>	<u>9,636</u>
<b>(Loss) income from continuing operations before income taxes</b>	(2,412)	18,360	(10,926)	11,667
Income tax expense	(2,224)	(2,727)	(5,820)	(5,746)
<b>Net (loss) income from continuing operations</b>	<u>(4,636)</u>	<u>15,633</u>	<u>(16,746)</u>	<u>5,921</u>
Income (loss) from discontinued operations before income taxes	6,886	(16,912)	5,830	(20,627)
Gain on disposal of discontinued operations	9,419	-	10,168	-
Income tax benefit	-	6,181	204	6,864
<b>Net income (loss) from discontinued operations</b>	<u>16,305</u>	<u>(10,731)</u>	<u>16,202</u>	<u>(13,763)</u>
<b>Net income (loss)</b>	\$ 11,669	\$ 4,902	\$ (544)	\$ (7,842)
<b>Other comprehensive income (loss):</b>				
Foreign currency translation adjustment	(3,986)	(21,743)	(3,277)	(50,279)
<b>Comprehensive income (loss)</b>	<u>\$ 7,683</u>	<u>\$ (16,841)</u>	<u>\$ (3,821)</u>	<u>\$ (58,121)</u>
<b>Net income (loss) per common share</b>				
<b>Basic net income (loss) per common share</b>				
Continuing operations	\$ (0.10)	\$ 0.38	\$ (0.39)	\$ 0.14
Discontinued operations	\$ 0.35	\$ (0.26)	\$ 0.38	\$ (0.34)
Weighted average common shares outstanding	46,854	40,943	42,879	40,895
<b>Diluted net income (loss) per common share</b>				
Continuing operations	\$ (0.10)	\$ 0.38	\$ (0.39)	\$ 0.14
Discontinued operations	\$ 0.35	\$ (0.26)	\$ 0.38	\$ (0.34)
Weighted average common and common equivalent shares outstanding	46,854	40,956	42,879	40,895

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

**TRANSATLANTIC PETROLEUM LTD.**  
Consolidated Statement of Equity  
(Unaudited)  
(U.S. Dollars and shares in thousands)

	Common Shares	Treasury Shares	Warrants	Common Shares	Treasury Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Equity
<b>Balance at December 31, 2015</b>	41,018	333	699	\$ 4,102	\$ (970)	\$ 569,365	\$ (121,590)	\$ (391,985)	\$ 58,922
Issuance of common shares	5,998	-	-	600	-	3,370	-	-	3,970
Issuance of restricted stock units	189	-	-	19	-	(19)	-	-	-
Tax withholding on restricted stock units	-	-	-	-	-	(59)	-	-	(59)
Share-based compensation	-	-	-	-	-	496	-	-	496
Foreign currency translation adjustment	-	-	-	-	-	-	(3,277)	-	(3,277)
Net loss	-	-	-	-	-	-	-	(544)	(544)
<b>Balance at September 30, 2016</b>	<u>47,205</u>	<u>333</u>	<u>699</u>	<u>\$ 4,721</u>	<u>\$ (970)</u>	<u>\$ 573,153</u>	<u>\$ (124,867)</u>	<u>\$ (392,529)</u>	<u>\$ 59,508</u>

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)

	<b>For the Nine Months Ended</b>	
	<b>September 30,</b>	
	<b>2016</b>	<b>2015</b>
<b>Operating activities:</b>		
Net loss	\$ (544)	\$ (7,842)
Adjustment for net (income) loss from discontinued operations	(16,202)	13,763
Net (loss) income from continuing operations	(16,746)	5,921
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Share-based compensation	496	1,334
Foreign currency loss	593	7,026
Loss (gain) on commodity derivative contracts	2,419	(25,430)
Cash settlement on commodity derivative contracts	4,188	27,560
Amortization on loan financing costs	1,015	684
Bad debt expense	-	320
Deferred income tax expense	1,239	2,635
Exploration, abandonment and impairment	2,964	8,202
Depreciation, depletion and amortization	23,053	28,183
Accretion of asset retirement obligations	285	277
Gain on sale of gas gathering facility	(620)	-
Derivative put costs	-	(1,580)
Vendor settlements	-	(236)
Changes in operating assets and liabilities:		
Accounts receivable	(4,643)	13,596
Prepaid expenses and other assets	(1,528)	1,226
Accounts payable and accrued liabilities	6,892	(16,838)
Net cash provided by operating activities from continuing operations	19,607	52,880
Net cash used in operating activities from discontinued operations	(822)	(14,718)
Net cash provided by operating activities	18,785	38,162
<b>Investing activities:</b>		
Additions to oil and natural gas properties	(4,664)	(18,734)
Restricted cash	6,398	(198)
Proceeds from asset sale	1,104	-
Additions to equipment and other properties	(139)	(4,664)
Net cash provided by (used in) investing activities from continuing operations	2,699	(23,596)
Net cash used in investing activities from discontinued operations	-	(9,715)
Net cash provided by (used in) investing activities	2,699	(33,311)
<b>Financing activities:</b>		
Issuance of common shares	1,658	-
Tax withholding on restricted share units	(59)	(383)
Treasury stock repurchases	-	(943)
Loan proceeds	30,076	12,348
Loan repayment	(39,517)	(24,878)
Loan financing costs	-	(30)
Net cash used in financing activities from continuing operations	(7,842)	(13,886)
Net cash used in financing activities from discontinued operations	-	(13,709)
Net cash used in financing activities	(7,842)	(27,595)
Effect of exchange rate on cash flows and cash equivalents	(517)	(1,812)
Net increase (decrease) in cash and cash equivalents	13,125	(24,556)
Cash and cash equivalents, beginning of period	7,480	35,132
Cash and cash equivalents, end of period	\$ 20,605	\$ 10,576
<b>Supplemental disclosures:</b>		
Cash paid for interest	\$ 4,057	\$ 7,318
Cash paid for taxes	\$ 3,423	\$ 2,481
<b>Supplemental non-cash financing activities:</b>		
Issuance of common shares	\$ 2,312	\$ -
Contingent payment event	\$ -	\$ (4,188)
Repayment of the prepayment agreement	\$ -	\$ 2,739

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 an international oil and natural gas company engaged in acquisition, exploration, development and production. We have focused our operations in countries that have established, yet underexplored petroleum systems, are net importers of petroleum, have an existing petroleum transportation infrastructure and provide favorable commodity pricing, royalty rates and tax rates to exploration and production companies. We hold interests in developed and undeveloped oil and natural gas properties in Turkey and Bulgaria. As of November 8, 2016, approximately 39% of our outstanding common shares were beneficially owned by N. Malone Mitchell 3rd, our chief executive officer and chairman of our board of directors.

TransAtlantic is a holding company with two operating segments – Turkey and Bulgaria. Its assets consist of its ownership interests in subsidiaries that primarily own assets in Turkey and Bulgaria, and an operated interest in a joint venture in Albania.

***Basis of presentation***

Our consolidated financial statements are expressed in U.S. Dollars and have been prepared by management in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”). All amounts in the 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 and financial derivatives, the recoverability and impairment of long-lived assets, contingencies and income taxes. Changes in facts and circumstances may result in revised estimates and actual results may differ from these estimates. During the nine months ended September 30, 2016, we reclassified certain balance sheet amounts previously reported on our consolidated balance sheet at December 31, 2015 to conform to current year presentation.

Certain information and footnote disclosures normally included in the consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). These consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Form 10-K for the year ended December 31, 2015.

**2. Going concern**

These 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 had net a loss of \$0.5 million for the nine months ended September 30, 2016, which included net income from discontinued operations of \$16.2 million. At September 30, 2016, the outstanding principal amount of our debt was \$87.4 million and we had a working capital deficit of \$54.1 million.

On August 23, 2016, the Turkish branch of TransAtlantic Exploration Mediterranean International Pty Ltd (“TEMI”), entered into a general credit agreement (the “Credit Agreement”) with DenizBank, A.S. (“DenizBank”). On August 31, 2016, DenizBank entered into a \$30.0 million term loan (the “Term Loan”) with TEMI under the Credit Agreement. TEMI is a wholly-owned subsidiary of TransAtlantic.

On September 7, 2016, TEMI used approximately \$22.9 million of the proceeds from the Term Loan to repay in full (including accrued interest) the Company’s senior credit facility (the “Senior Credit Facility”) with BNP Paribas (Suisse) SA (“BNP”) and the International Finance Corporation (“IFC”), which was terminated upon repayment. In connection with the repayment of the Senior Credit Facility, the Company unwound its oil hedges with BNP, receiving proceeds of \$2.6 million.

The Term Loan bears interest at a fixed rate of 5.25% (plus 0.2625% for Banking and Insurance Transactions Tax per the Turkish government) per annum and is payable in six monthly installments of \$1.25 million each through February 2017 and thereafter in twelve monthly installments of \$1.88 million each through February 2018. The Term Loan matures in February 2018. Of the \$28.8 million outstanding under the Term Loan at September 30, 2016, \$19.4 million is classified as short-term debt. In addition, the Company's \$55.0 million of outstanding 13.0% convertible notes due 2017 (the "2017 Notes") are due in full on July 1, 2017.

Consequently, we will need some form of debt restructuring, capital raising effort or asset sale in order to fund our operations and meet our substantial debt service obligations of approximately \$7.3 million during the fourth quarter of 2016 and \$76.3 million in 2017. As a result, there is substantial doubt regarding our ability to continue as a going concern. The Company continues to focus on the sale of assets to raise cash, capital raising and restructuring, and repaying or refinancing its debt obligations. See Note 14. "Subsequent Events."

Management believes the going concern assumption to be appropriate for these consolidated 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 pronouncements

In July 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2015-11, *Simplifying the Measurement of Inventory* ("ASU 2015-11"), an amendment to Accounting Standards Codification ("ASC") Subtopic 330-10. The amendment states that entities should measure inventory at the lower of cost and net realizable value. The amendment does not apply to inventory that is measured using last-in, first-out (LIFO) or the retail inventory method. The amendment applies to all other inventory, which includes inventory that is measured using first-in, first-out (FIFO) or average cost. ASU 2015-11 is effective for fiscal years beginning after December 31, 2016, including interim periods within those fiscal years. We are currently assessing the potential impact of ASU 2015-11 on our consolidated financial statements and results of operations.

In March 2016, the FASB issued ASU 2016-08, Revenue from Contracts with Customers (Topic 606): *Principal versus Agent Considerations (Reporting Revenue Gross versus Net)* ("ASU 2016-08"). ASU 2016-08 does not change the core principle of Topic 606 but clarifies the implementation guidance on principal versus agent considerations. ASU 2016-08 is effective for the annual and interim periods beginning after December 15, 2017. We are currently assessing the potential impact of ASU 2016-08 on our consolidated financial statements and results of operations.

In March 2016, the FASB issued ASU 2016-09, Compensation – Stock Compensation (Topic 718): *Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09"). ASU 2016-09 simplifies several aspects of the accounting for employee share-based payment transactions, including the accounting for income taxes, forfeitures, and statutory tax withholding requirements, as well as classification in the statement of cash flows. ASU 2016-09 is effective for annual and interim periods beginning after December 15, 2016 and early adoption is permitted. We are currently assessing the potential impact of ASU 2016-09 on our consolidated financial statements and results of operations.

In April 2016, the FASB issued ASU 2016-10, Revenue from Contracts with Customers (Topic 606): *Identifying Performance Obligations and Licensing* ("ASU 2016-10"). ASU 2016-10 does not change the core principle of Topic 606 but clarifies the following two aspects of Topic 606: identifying performance obligations and the licensing implementation guidance, while retaining the related principles for those areas. ASU 2016-10 is effective for annual and interim periods beginning after December 15, 2017. We are currently assessing the potential impact of ASU 2016-10 on our consolidated financial statements and results of operations.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses* ("ASU 2016-13"). ASU 2016-13 changes the impairment model for most financial assets and certain other instruments, including trade and other receivables, held-to-maturity debt securities and loans, and requires entities to use a new forward-looking expected loss model that will result in the earlier recognition of allowance for losses. This update is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted for a fiscal year beginning after December 15, 2018, including interim periods within that fiscal year. Entities will apply the standard's provisions as a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is adopted. We are currently assessing the potential impact of ASU 2016-13 on our consolidated financial statements and results of operations.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230): *Classification of Certain Cash Receipts and Cash Payments* ("ASU 2016-15"). ASU 2016-15 reduces diversity in practice in how certain transactions are classified in the statement of cash flows. The amendments in ASU 2016-15 provide guidance on specific cash flow issues including debt prepayment or debt extinguishment costs, settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing, contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims, proceeds from the settlement of corporate-owned life insurance policies, and distributions received from equity method investees. ASU 2016-15 is effective for annual and interim periods beginning after December 15, 2017. We are currently assessing the potential impact of ASU 2016-15 on our consolidated financial statements and results of operations.

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. Property and equipment

##### *Oil and natural gas properties*

The following table sets forth the capitalized costs under the successful efforts method for our oil and natural gas properties as of:

	September 30, 2016	December 31, 2015
	(in thousands)	
Oil and natural gas properties, proved:		
Turkey	\$ 264,646	\$ 270,591
Bulgaria	499	489
Total oil and natural gas properties, proved	265,145	271,080
Oil and natural gas properties, unproved:		
Turkey	29,883	31,135
Total oil and natural gas properties, unproved	29,883	31,135
Gross oil and natural gas properties	295,028	302,215
Accumulated depletion	(156,210)	(139,002)
Net oil and natural gas properties	<u>\$ 138,818</u>	<u>\$ 163,213</u>

At September 30, 2016 and December 31, 2015, we excluded \$0.1 million and \$0.7 million, respectively, from the depletion calculation for proved development wells currently in progress and for costs associated with fields currently not in production.

At September 30, 2016, the capitalized costs of our oil and natural gas properties, net of accumulated depletion, included \$17.7 million relating to acquisition costs of proved properties, which are being depleted by the unit-of-production method using total proved reserves, and \$91.2 million relating to well costs and additional development costs, which are being depleted by the unit-of-production method using proved developed reserves.

At December 31, 2015, the capitalized costs of our oil and natural gas properties included \$20.0 million relating to acquisition costs of proved properties, which are being amortized by the unit-of-production method using total proved reserves, and \$111.4 million relating to well costs and additional development costs, which are being amortized by the unit-of-production method using proved developed reserves.

##### *Impairments of proved properties and impairment of exploratory well costs*

Proved oil and natural gas properties are reviewed for impairment when events and circumstances indicate the carrying value of such properties may not be recoverable. We primarily use Level 3 inputs to determine fair value, including but are not limited to, estimates of proved reserves, future commodity prices, the timing and amount of future production and capital expenditures and discount rates commensurate with the risk reflective of the lives remaining for the respective oil and natural gas properties.

During the three and nine months ended September 30, 2016, we recorded \$1.5 million and \$3.0 million, respectively, of impairment of proved properties and exploratory well costs, which are primarily measured using Level 3 inputs. We recorded \$0.7 million of exploratory well costs related to the Guney Residre well during the three and nine months ended September 30, 2016.

### Capitalized cost greater than one year

As of September 30, 2016, we had \$1.2 million and \$2.1 million of exploratory well costs capitalized for the Hayrabolu-10 and Pinar-1 wells, respectively, in Turkey, which we spud in February 2013 and March 2014, respectively. The Hayrabolu-10 and Pinar-1 wells continue to be held for completion.

### Equipment and other property

The historical cost of equipment and other property, presented on a gross basis with accumulated depreciation, is summarized as follows:

	September 30, 2016	December 31, 2015
	(in thousands)	
Inventory	\$ 15,067	\$ 21,338
Leasehold improvements, office equipment and software	7,632	7,794
Gas gathering system and facilities	-	4,798
Other equipment	2,487	2,378
Vehicles	389	400
Gross equipment and other property	25,575	36,708
Accumulated depreciation	(6,141)	(9,216)
Net equipment and other property	<u>\$ 19,434</u>	<u>\$ 27,492</u>

As of September 30, 2016, we have classified \$4.9 million of inventory as a current asset, which represents our expected consumption in the next twelve months. We classify the remainder of our materials and supply inventory as a long-term asset because such materials will ultimately be classified as a long-term asset when the material is used in the drilling of a well.

At September 30, 2016 and December 31, 2015, we excluded \$20.0 million and \$21.3 million of inventory, respectively, from depreciation as the inventory had not been placed into service.

### 5. Asset retirement obligations

The following table summarizes the changes in our asset retirement obligations ("ARO") for the nine months ended September 30, 2016 and for the year ended December 31, 2015:

	September 30, 2016	December 31, 2015
	(in thousands)	
Asset retirement obligations at beginning of period	\$ 9,237	\$ 10,543
Change in estimates	-	385
Foreign exchange change effect	(252)	(2,137)
Additions	-	78
Accretion expense	285	368
Asset retirement obligations at end of period	9,270	9,237
Less: current portion	-	-
Long-term portion	<u>\$ 9,270</u>	<u>\$ 9,237</u>

Our ARO is measured using primarily Level 3 inputs. The significant unobservable inputs to this fair value measurement include estimates of plugging costs, remediation costs, inflation rate and well life. The inputs are calculated based on historical data as well as current estimated costs.

### 6. Commodity derivative instruments

Historically, we have used derivative contracts to hedge against the variability in cash flows associated with the forecasted sale of a portion of our future oil production. We have not designated the derivative contracts as hedges for accounting purposes, and accordingly, we have recorded the derivative contracts at fair value and recognize changes in fair value in earnings as they occur.

To the extent that a legal right of offset exists, we net the value of our derivative contracts with the same counterparty in our consolidated balance sheets. All of our oil derivative contracts were settled based upon Brent crude oil pricing. We recognize gains and losses related to these contracts on a fair value basis in our consolidated statements of comprehensive income (loss) under the caption “(Loss) gain on commodity derivative contracts.” Settlements of derivative contracts are included in operating activities on our consolidated statements of cash flows under the caption “Cash settlement on commodity derivative contracts.”

During the three months ended September 30, 2016 and 2015, we recorded a net loss on commodity derivative contracts of \$0.2 million and a net gain of \$24.9 million, respectively. During the nine months ended September 30, 2016 and 2015, we recorded a net loss on commodity derivative contracts of \$2.4 million and a net gain of \$25.4 million, respectively.

On September 7, 2016 and September 9, 2016, we unwound all of our existing crude oil hedges for the periods September 10, 2016 through March 31, 2019. The unwinding of these hedging transactions resulted in proceeds of \$2.6 million and was used for general corporate purposes. See Note 14, “Subsequent Events” for more information.

At December 31, 2015, we had outstanding hedging contracts with respect to our future crude oil production as set forth in the table below:

**Fair Value of Derivative Instruments as of December 31, 2015**

Type	Period	Quantity (Bbl/day)	Puts		Estimated Fair Value of Asset (in thousands)
			Weighted Average Price (per Bbl)		
Put	January 1, 2016— December 31, 2016	808	\$	50.00	\$ 3,235
Put	January 1, 2017— December 31, 2017	610	\$	50.00	1,798
Put	January 1, 2018— December 31, 2018	494	\$	50.00	1,292
Put	January 1, 2019— March 31, 2019	443	\$	50.00	280
Total estimated fair value of asset					\$ 6,605

**Balance sheet presentation**

The following table summarizes both: (i) the gross fair value of our commodity derivative instruments by the appropriate balance sheet classification even when the commodity derivative instruments are subject to netting arrangements and qualify for net presentation in our consolidated balance sheets at December 31, 2015, and (ii) the net recorded fair value as reflected on our consolidated balance sheets at December 31, 2015.

Underlying Commodity	Location on Balance Sheet	As of December 31, 2015		
		Gross Amount of Recognized Assets	Gross Amount Offset in the Consolidated Balance Sheets (in thousands)	Net Amount of Assets Presented in the Consolidated Balance Sheets
Crude oil	Current assets	\$ 3,235	\$ -	\$ 3,235
Crude oil	Long-term assets	\$ 3,370	\$ -	\$ 3,370

## 7. Loans payable

As of the dates indicated, our third-party debt consisted of the following:

	September 30, 2016	December 31, 2015
	(in thousands)	
<b>Fixed and floating rate loans</b>		
Term Loan	\$ 28,750	\$ -
2017 Notes	34,450	34,400
2017 Notes - Related Party	20,550	20,600
Senior Credit Facility	-	32,075
Unamortized deferred financing cost - Senior Credit Facility and 2017 Notes	-	(1,260)
TBNG credit facility	-	5,192
ANBE Note	3,593	3,592
Short-term lines of credit	78	-
West Promissory Notes	-	1,000
Loans payable	87,421	95,599
Less: current portion	78,046	40,599
Long-term portion	\$ 9,375	\$ 55,000

### *Senior Credit Facility*

On May 6, 2014, certain of our wholly-owned subsidiaries entered into the Senior Credit Facility with BNP Paribas and IFC. The Senior Credit Facility was guaranteed by us and each of TransAtlantic Petroleum (USA) Corp. (“TransAtlantic USA”) and TransAtlantic Worldwide, Ltd. (“TransAtlantic Worldwide”). On August 31, 2016, TEMI entered into the Term Loan and, on September 7, 2016, we repaid the Senior Credit Facility in full and terminated it.

### *TEMI Term Loan*

On August 23, 2016, the Turkish branch of TEMI entered into the Credit Agreement with DenizBank. The Credit Agreement is a master agreement pursuant to which DenizBank may make loans to TEMI from time to time pursuant to additional loan agreements.

On August 31, 2016, DenizBank entered into the \$30.0 million Term Loan with TEMI under the Credit Agreement. In addition, the Company and DenizBank entered into additional agreements with respect to up to \$20.0 million of non-cash facilities, including guarantee letters and treasury instruments for future hedging transactions.

On September 7, 2016, TEMI used approximately \$22.9 million of the proceeds from the Term Loan to repay in full the Senior Credit Facility.

The Term Loan bears interest at a fixed rate of 5.25% (plus 0.2625% for Banking and Insurance Transactions Tax per the Turkish government) per annum and is payable in six monthly installments of \$1.25 million each through February 2017 and thereafter in twelve monthly installments of \$1.88 million each through February 2018. The Term Loan matures in February 2018. Amounts repaid under the Term Loan may not be re-borrowed, and early repayments under the Term Loan are subject to early repayment fees.

The Term Loan is guaranteed by DMLP, Ltd. (“DMLP”), TransAtlantic Turkey, Ltd. (“TransAtlantic Turkey”), Talon Exploration, Ltd. (“Talon Exploration”) and TransAtlantic Worldwide (collectively, the “Guarantors”). Each of the Guarantors is a wholly-owned subsidiary of the Company.

The Term Loan contains standard prohibitions on the activities of TEMI as the borrower, including prohibitions on granting of liens on its assets, incurring additional debt, dissolving, liquidating, merging, consolidating, paying dividends, making certain investments, selling assets or transferring revenue, and other similar matters. In addition, the Term Loan prohibits Amity Oil International Pty Ltd (“Amity”) and Petrogas Petrol Gaz ve Petrokimya Urunleri Insaat Sanayi ve Ticaret A.S. (“Petrogas”) from incurring additional debt. An event of default under the Term Loan includes, among other events, failure to pay principal or interest when due, breach of certain covenants, representations, warranties and obligations, bankruptcy or insolvency and the occurrence of a material adverse effect.

The Term Loan is secured by a pledge of (i) the stock of TEMI, DMLP, TransAtlantic Turkey and Talon Exploration, (ii) substantially all of the assets of TEMI, (iii) certain real estate owned by Petrogas, (iv) the Gundem real estate and Muratli real estate owned by Gundem Turizm Yatirim ve Isletmeleri A.S. (“Gundem”) and (v) the Diyarbakir real estate owned 80% by N. Malone Mitchell 3<sup>rd</sup> and 20% by Selami Erdem Uras. In addition, TEMI assigned its Turkish collection accounts and its receivables from the sale of oil to DenizBank as additional security for the Term Loan. Gundem is beneficially owned by Mr. Mitchell, his adult children, and Mr. Uras. Mr. Mitchell is our chief executive officer and chairman of our board of directors. Mr. Uras is our vice president, Turkey.

At September 30, 2016, we had \$28.8 million outstanding under the Term Loan and no availability, and were in compliance with the covenants in the Term Loan.

#### ***2017 Notes***

As of September 30, 2016, we had \$55.0 million aggregate principal amount of outstanding 2017 Notes. The 2017 Notes bear interest at a rate of 13.0% per annum and mature on July 1, 2017. The 2017 Notes are convertible at any time, at the election of a holder, into our common shares at a conversion price of \$6.80 per share.

On June 30, 2016, we issued 2,905,737 common shares in a private placement to certain holders of the 2017 Notes, at the election of such holders to receive common shares in lieu of cash interest on the 2017 Notes. See Note 14. “Subsequent Events” for more information.

#### ***TBNG credit facility***

Thrace Basin Natural Gas (Turkiye) Corporation (“TBNG”) had a fully-drawn credit facility with a Turkish bank. On August 9, 2016, TBNG repaid the credit facility in full and terminated it.

#### ***West Promissory Notes***

In August 2015, TransAtlantic USA entered into promissory notes (the “Promissory Notes”) with each of Mary West CRT 2 LLC and Gary West CRT 2 LLC, shareholders of the Company (collectively, the “Holders”), whereby TransAtlantic USA could borrow up to \$1.5 million under each Promissory Note to fund our share repurchase program. The Holders are managed by Randy Rochman, an observer of our board of directors. On September 9, 2016, the Promissory Notes were repaid in full with proceeds from the Term Loan and were terminated.

#### ***ANBE Note***

On December 30, 2015, TransAtlantic USA entered into a \$5.0 million draw down convertible promissory note (the “Note”) with ANBE Holdings, L.P. (“ANBE”), an entity owned by the adult children of Mr. Mitchell and controlled by an entity managed by Mr. Mitchell and his wife. The Note bears interest at a rate of 13.0% per annum. On December 30, 2015, the Company borrowed \$3.6 million under the Note (the “Initial Advance”) for general corporate purposes. On June 30, 2016, the Company issued 355,826 common shares in a private placement to ANBE in lieu of paying cash interest on the Note. As of September 30, 2016, the Company had borrowed \$3.6 million under the Note and had no availability.

Advances under the Note may be converted, at the election of ANBE, any time prior to the maturity of the Note into common shares of the Company. The conversion price per common share for each advance is equal to 105% of the closing price of the Company’s common shares on the NYSE MKT on the trading date immediately prior to such advance. The conversion price of the Initial Advance is \$1.3755 per share. See Note 14. “Subsequent Events” for more information.

### **8. Contingencies relating to production leases and exploration permits**

#### ***Selmo***

We are involved in litigation with persons who claim ownership of a portion of the surface at the Selmo oil field in Turkey. These cases are being vigorously defended by TEMI and Turkish governmental authorities. We do not have enough information to estimate the potential additional operating costs we would incur in the event the purported surface owners’ claims are ultimately successful. Any adjustment arising out of the claims will be recorded when it becomes probable and measurable.

## ***Morocco***

During 2012, we were notified that the Moroccan government may seek to recover approximately \$5.5 million in contractual obligations under our Tselfat exploration permit work program. In February 2013, the Moroccan government drew down our \$1.0 million bank guarantee that was put in place to ensure our performance of the Tselfat exploration permit work program. Although we believe that the bank guarantee satisfies our contractual obligations, during 2012, we recorded \$5.0 million in accrued liabilities relating to our Tselfat exploration permit for this contingency. In September 2016, management determined that, because it had received no communication from the Moroccan government since early 2013, the probability of payment of this contingency is remote, and therefore the Company reversed the \$6.0 million in contingent liabilities previously classified as liabilities held for sale.

## ***Bulgaria***

During 2012, we were notified that the Bulgarian government may seek to recover approximately \$2.0 million in contractual obligations under our Aglen exploration permit work program. Due to the Bulgarian government's January 2012 ban on fracture stimulation and related activities, a force majeure event under the terms of the exploration permit was recognized by the government. Although we invoked force majeure, we recorded \$2.0 million in general and administrative expense relating to our Aglen exploration permit during 2012 for this contractual obligation.

In October 2015, the Bulgarian Ministry of Energy and Economy filed a suit against our subsidiary, Direct Petroleum Bulgaria EOOD ("Direct Bulgaria"), claiming a \$200,000 penalty for Direct Bulgaria's alleged failure to fulfill the Aglen work program. We believe that Direct Bulgaria is not under any obligation to fulfill the work program until the 2012 force majeure event is rectified and intend to vigorously defend this claim.

## **9. Shareholders' equity**

### ***June 2016 share issuance***

On June 30, 2016, we issued an aggregate of 5,773,305 common shares in private placements under the Securities Act of 1933, as amended (the "Securities Act"). Of the 5,773,305 common shares, (i) 2,905,737 common shares were issued to holders of the 2017 Notes at the election of such holders to receive common shares in lieu of cash interest on the 2017 Notes; (ii) 355,826 common shares were issued to ANBE in lieu of cash interest on the Note; and (iii) 2,511,742 common shares were issued for cash, which was used to pay cash interest to certain holders of the 2017 Notes. All of the shares were issued at a value of \$0.6599 per share, which was equal to 75% of the 10-day volume weighted average price through the close of trading of the common shares on the NYSE MKT on June 29, 2016.

### ***Restricted stock units***

We recorded non-cash share-based compensation expense of \$0.1 million and \$0.3 million for awards of restricted stock units ("RSUs") for the three months ended September 30, 2016 and 2015, respectively. We recorded non-cash share-based compensation expense of \$0.5 million and \$0.8 million for awards of RSUs for the nine months ended September 30, 2016 and 2015, respectively.

As of September 30, 2016, we had approximately \$0.8 million of unrecognized non-cash compensation expense related to unvested RSUs, which is expected to be recognized over a weighted average period of 1.5 years.

### ***Earnings per share***

We account for earnings per share in accordance with ASC Subtopic 260-10, *Earnings Per Share* ("ASC 260-10"). ASC 260-10 requires companies to present two calculations of earnings per share: basic and diluted. Basic earnings per common share for the three and nine months ended September 30, 2016 and 2015 equals net income (loss) divided by the weighted average shares outstanding during the periods. Weighted average shares outstanding are equal to the weighted average of all shares outstanding for the period, excluding unvested RSUs. Diluted earnings per common share for the three and nine months ended September 30, 2016 and 2015 are computed in the same manner as basic earnings per common share after assuming the issuance of common shares for all potentially dilutive common share equivalents, which includes RSUs. For the three and nine months ended September 30, 2016, there were no dilutive securities included in the calculation of diluted earnings per share.

The following table presents the basic and diluted earnings per common share computations:

(in thousands, except per share amounts)	Three Months Ended September 30		Nine Months Ended September 30	
	2016	2015	2016	2015
Net (loss) income from continuing operations	\$ (4,636)	\$ 15,633	\$ (16,746)	\$ 5,921
Net income (loss) from discontinued operations	\$ 16,305	\$ (10,731)	\$ 16,202	\$ (13,763)
Basic net (loss) income per common share:				
Shares:				
Weighted average common shares outstanding	46,854	40,943	42,879	40,895
Basic net (loss) income per common share:				
Continuing operations	\$ (0.10)	\$ 0.38	\$ (0.39)	\$ 0.14
Discontinued operations	\$ 0.35	\$ (0.26)	\$ 0.38	\$ (0.34)
Diluted net (loss) income per common share:				
Shares:				
Weighted average common shares outstanding	46,854	40,943	42,879	40,895
Dilutive effect of:				
Warrants	-	13	-	-
Restricted stock units	-	-	-	-
	46,854	40,956	42,879	40,895
Diluted net (loss) income per common share:				
Continuing operations	\$ (0.10)	\$ 0.38	\$ (0.39)	\$ 0.14
Discontinued operations	\$ 0.35	\$ (0.26)	\$ 0.38	\$ (0.34)

## 10. Segment information

In accordance with ASC 280, *Segment Reporting* ("ASC 280"), we have two reportable geographic segments: Turkey and Bulgaria. Summarized financial information from continuing operations concerning our geographic segments is shown in the following table:

	Corporate	Turkey	Bulgaria	Total
	(in thousands)			
<i>For the three months ended September 30, 2016</i>				
Total revenues	\$ -	\$ 16,659	\$ -	\$ 16,659
(Loss) income from continuing operations before income taxes	(3,102)	734	(44)	(2,412)
Capital expenditures	\$ -	\$ 1,484	\$ -	\$ 1,484
<i>For the three months ended September 30, 2015</i>				
Total revenues	\$ -	\$ 18,337	\$ -	\$ 18,337
(Loss) income from continuing operations before income taxes	(3,884)	22,390	(146)	18,360
Capital expenditures	\$ -	\$ 7,679	\$ -	\$ 7,679
<i>For the nine months ended September 30, 2016</i>				
Total revenues	\$ -	\$ 49,923	\$ -	\$ 49,923
(Loss) income from continuing operations before income taxes	(12,092)	1,413	(247)	(10,926)
Capital expenditures	\$ -	\$ 4,675	\$ -	\$ 4,675
<i>For the nine months ended September 30, 2015</i>				
Total revenues	\$ -	\$ 69,147	\$ -	\$ 69,147
(Loss) income from continuing operations before income taxes	(15,787)	31,567	(4,113)	11,667
Capital expenditures	\$ 163	\$ 18,411	\$ 41	\$ 18,615
<i>Segment assets</i>				
September 30, 2016	\$ 14,378	\$ 211,555	\$ 616	\$ 226,549
December 31, 2015 <sup>(1)</sup>	\$ 14,689	\$ 231,388	\$ 601	\$ 246,678

(1) Excludes assets from our discontinued Albanian and Moroccan operations of \$51.5 million December 31, 2015.

## 11. Financial instruments

Cash and cash equivalents, restricted cash, accounts receivable, accounts payable, accrued liabilities and our loans payable were each estimated to have a fair value approximating the carrying amount at September 30, 2016 and December 31, 2015, 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.

### Foreign currency risk

We have underlying foreign currency exchange rate exposure. Our currency exposures relate to transactions denominated in the Canadian Dollar, Bulgarian Lev, European Union Euro, Romanian New Leu and Turkish Lira ("TRY"). We are also subject to foreign currency exposures resulting from translating the functional currency of our foreign subsidiary financial statements into the U.S. Dollar reporting currency. We have not used foreign currency forward contracts to manage exchange rate fluctuations. At September 30, 2016, we had 47.6 million TRY (approximately \$15.9 million) in cash and cash equivalents, which exposes us to exchange rate risk based on fluctuations in the value of the TRY.

### 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 December 31, 2015, we were a party to commodity derivative contracts (see Note 6, "Commodity derivative instruments").

### Concentration of credit risk

The majority of our receivables are within the oil and natural gas industry, primarily from our industry partners and from government agencies. Included in receivables are amounts due from Turkiye Petrolleri Anonim Ortakligi, the national oil company of Turkey, and Turkiye Petrol Rafinerileri A.Ş., a privately owned oil refinery in Turkey, which purchases all of our oil production. The receivables are not collateralized. To date, we have experienced minimal bad debts from customers in Turkey. The majority of our cash and cash equivalents are held by three financial institutions in the United States and Turkey.

### Fair value measurements

The following table summarizes the valuation of our financial assets and liabilities as of September 30, 2016:

	Fair Value Measurement Classification			Total
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<i>Disclosed but not carried at fair value</i>				
Liabilities:				
Term Loan	\$ -	\$ -	\$ (25,244)	\$ (25,244)
2017 Notes	-	-	(49,438)	(49,438)
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (74,682)</u>	<u>\$ (74,682)</u>

At September 30, 2016, the fair values of the Term Loan and 2017 Notes were estimated using a discounted cash flow analysis based on unobservable Level 3 inputs, including our own credit risk associated with the loans payable.

The following table summarizes the valuation of our financial assets and liabilities as of December 31, 2015:

	Fair Value Measurement Classification			Total
	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
(in thousands)				
<i>Measured on a recurring basis</i>				
Assets:				
Commodity derivative contracts	\$ -	\$ 6,605	\$ -	\$ 6,605
<i>Disclosed but not carried at fair value</i>				
Liabilities:				
Senior Credit Facility	-	-	(30,050)	(30,050)
2017 Notes	-	-	(44,489)	(44,489)
Total	<u>\$ -</u>	<u>\$ 6,605</u>	<u>\$ (74,539)</u>	<u>\$ (67,934)</u>

We remeasure our derivative contracts on a recurring basis, with changes flowing through earnings. At December 31, 2015, the fair values of the Senior Credit Facility and 2017 Notes were estimated using a discounted cash flow analysis based on unobservable Level 3 inputs, including our own credit risk associated with the loans payable.

## 12. Related party transactions

The following table summarizes related party accounts receivable and accounts payable as of the dates indicated:

	September 30, 2016	December 31, 2015
(in thousands)		
<i>Related party accounts receivable:</i>		
Riata Management service agreement	\$ 408	\$ 194
PSIL MSA	60	-
Viking International master services agreement	-	220
Total related party accounts receivable	<u>\$ 468</u>	<u>\$ 414</u>
<i>Related party accounts payable:</i>		
PSIL MSA	\$ 1,768	\$ -
Interest Payable on 2017 Notes and ANBE Note	768	-
Riata Management service agreement	228	384
Viking International master services agreement	-	2,300
Total related party accounts payable	<u>\$ 2,764</u>	<u>\$ 2,684</u>

## Services transactions

On March 3, 2016, Mr. Mitchell closed a transaction whereby he sold his interests in Viking Services B.V. ("Viking Services"), the beneficial owner of Viking International Limited ("Viking International"), Viking Petrol Sahasi Hizmetleri A.S. ("VOS") and Viking Geophysical Services Ltd. ("Viking Geophysical"), to a third party. As part of the transaction, Mr. Mitchell acquired certain equipment used in the performance of stimulation, wireline, workover and similar services, which equipment is owned and operated by Production Solutions International Petrol Arama Hizmetleri Anonim Sirketi ("PSIL"). PSIL is beneficially owned by Dalea Investment Group, LLC, which is controlled by Mr. Mitchell. Consequently, on March 3, 2016, TEMI entered into a master services agreement (the "PSIL MSA") with PSIL on substantially similar terms to the master services agreements with Viking International, VOS and Viking Geophysical. Pursuant to the PSIL MSA, PSIL performs the services on behalf of TEMI and its affiliates. The master service agreements with each of Viking International, VOS and Viking Geophysical will remain in effect through the remainder of the five-year term of the agreements ending on June 13, 2017.

### ***Dalea Amended Note and Pledge Agreement***

On April 19, 2016, we entered into a note amendment agreement (the “Note Amendment Agreement”) with Mr. Mitchell, and Dalea Partners, LP (“Dalea”), pursuant to which Dalea agreed to deliver an amended and restated promissory note (the “Amended Note”) in favor of us, in the principal sum of \$7,964,053, which Amended Note would amend and restate that certain promissory note, dated June 13, 2012, made by Dalea in favor of us in the principal amount of \$11.5 million (the “Original Note”). The Note Amendment Agreement reduced the principal amount of the Original Note to \$8.0 million in exchange for the cancellation of an account payable of approximately \$3.5 million (the “Account Payable”) owed by TransAtlantic Albania Ltd. (“TransAtlantic Albania”), a former subsidiary of the Company, to Viking International. We have indemnified a third party for any liability relating to the payment of the Account Payable.

Pursuant to the Note Amendment Agreement, on April 19, 2016, we entered into the Amended Note, which amended and restated the Original Note that was issued in connection with our sale of our subsidiaries, Viking International and Viking Geophysical Services, to a joint venture owned by Dalea and Abraaj Investment Management Limited in June 2012. In the Amended Note, we and Dalea acknowledged that (i) while the sale of Dalea’s interest in Viking Services enabled us to take the position that the Original Note was accelerated in accordance with its terms, the principal purpose of including the acceleration events in the Original Note was to ensure that certain oilfield services provided by Viking Services to us would continue to be available to us, and (ii) such services will now be provided pursuant to the PSIL MSA. PSIL is beneficially owned by Dalea Investment Group, LLC, which is controlled by Mr. Mitchell. As a result, the Amended Note revised the events triggering acceleration of the repayment of the Original Note to the following: (i) a reduction of ownership by Dalea (and other controlled affiliates of Mr. Mitchell) of equity interest in PSIL to less than 50%; (ii) the sale or transfer by Dalea or PSIL of all or substantially all of its assets to any person (a “Transferee”) that does not own a controlling interest in Dalea or PSIL and is not controlled by Mr. Mitchell (an “Unrelated Person”), or the subsequent transfer by any Transferee that is not an Unrelated Person of all or substantially all of its assets to an Unrelated Person; (iii) the acquisition by an Unrelated Person of more than 50% of the voting interests of Dalea or PSIL; (iv) termination of the PSIL MSA other than as a result of an uncured default thereunder by TEMI; (v) default by PSIL under the PSIL MSA, which default is not remedied within a period of 30 days after notice thereof to PSIL; and (vi) insolvency or bankruptcy of PSIL. The maturity date of the Amended Note was extended to June 13, 2019. The interest rate on the Amended Note remains at 3.0% per annum and continues to be guaranteed by Mr. Mitchell. The Amended Note contains customary events of default.

In addition, pursuant to the Note Amendment Agreement, on April 19, 2016, we entered into a pledge agreement (the “Pledge Agreement”) with Dalea, whereby Dalea pledged the \$2.0 million principal amount of the 2017 Notes owned by Dalea (the “Dalea Convertible Notes”), including any future securities for which the Dalea Convertible Notes are converted or exchanged, as security for the performance of Dalea’s obligations under the Amended Note. The Pledge Agreement provides that interest payable to Dalea under the Dalea Convertible Notes (or any future securities for which the Dalea Convertible Notes are converted or exchanged) will be credited first against the outstanding principal balance of the Amended Note and, upon full repayment of the outstanding principal balance of the Amended Note, any accrued and unpaid interest on the Amended Note. The Pledge Agreement contains customary events of default.

On June 30, 2016, we entered into a waiver with Dalea, whereby we waived our right under the Pledge Agreement to receive the interest payment due July 1, 2016 under the Dalea Convertible Notes in connection with the payment of 201,459 common shares to Dalea with respect to the 2017 Note interest payment paid on June 30, 2016.

### ***Pledge fee agreements***

In connection with the pledge of the Gundem real estate and Muratli real estate to DenizBank as collateral for the Term Loan, on August 31, 2016, the Company entered into a pledge fee agreement with Gundem (the “Gundem Fee Agreement”) pursuant to which the Company will pay Gundem a fee equal to 5% per annum of the collateral value of the Gundem real estate and Muratli real estate. Pursuant to the Gundem Fee Agreement, the Gundem real estate has a deemed collateral value of \$10.0 million and the Muratli real estate has a deemed collateral value of \$5.0 million.

In connection with the pledge of the Diyarbakir real estate to DenizBank as collateral for the Term Loan, on August 31, 2016, the Company entered into a pledge fee agreement with Messrs. Mitchell and Uras (the “Diyarbakir Fee Agreement”) pursuant to which the Company will pay Messrs. Mitchell and Uras a fee of 5% per annum of the collateral value of the Diyarbakir real estate. Pursuant to the Diyarbakir Fee Agreement, the Diyarbakir real estate has a deemed collateral value of \$5.0 million.

Amounts payable to Mr. Mitchell under the Gundem Fee Agreement and the Diyarbakir Fee Agreement will be used to reduce the outstanding principal amount of the Amended Note.

### Private placements

On June 30, 2016, we issued an aggregate of 5,773,305 common shares in private placements under the Securities Act. Of the 5,773,305 common shares, (i) 1,974,452 common shares were issued to Dalea, the trusts of Mr. Mitchell's four adult children and Pinon Foundation, a nonprofit entity controlled by Mrs. Mitchell, at their election to receive common shares in lieu of cash interest on the 2017 Notes; (ii) 355,826 common shares were issued to ANBE in lieu of cash interest on the Note and (iii) 814,627 common shares were issued to Dalea and the trusts of Mr. Mitchell's four adult children for cash, which was used to pay cash interest to certain holders of the 2017 Notes (see Note 9, "Shareholders' equity").

### Indemnity agreement

On May 9, 2016, Mr. Mitchell guaranteed the payment of director and officer liability premiums in the amount of \$0.4 million (the "Guaranteed Payments") payable to US Premium Finance solely in the event of a change of control of the Company. On May 9, 2016, we entered into an Indemnity Agreement with Mr. Mitchell pursuant to which we agreed to indemnify him for any damages he incurs related to the Guaranteed Payments.

## 13. Discontinued operations

### Discontinued operations in Albania

As of December 31, 2015, we classified our former Albania segment as assets and liabilities held for sale. We have presented the operating results of our former Albanian segment within discontinued operations for all periods presented.

In February 2016, we sold all of the outstanding equity in Stream Oil & Gas Ltd. ("Stream") to GBC Oil Company Ltd. ("GBC Oil") in exchange for (i) the future payment of \$2.3 million to Raiffeisen Bank Sh.A. ("Raiffeisen") to pay down the term loan facility dated as of September 17, 2014 (the "Term Loan Facility") between Stream's wholly-owned subsidiary, TransAtlantic Albania Ltd. ("TransAtlantic Albania") and Raiffeisen, and (ii) the assumption of \$29.2 million of liabilities owed by Stream, consisting of \$23.1 million of accounts payable and accrued liabilities and \$6.1 million of debt. TransAtlantic Albania owns all of our former Albanian oil assets and operations. In addition, GBC Oil issued us a warrant pursuant to which we have the option to acquire up to 25% of the fully diluted equity interests in TransAtlantic Albania for nominal consideration at any time on or before March 1, 2019.

On September 1, 2016, the Company completed a joint venture transaction with respect to the assets in the Delvina gas field in Albania (the "Delvina Assets"). The Company transferred (the "Transfer") 75% of the outstanding shares of Delvina Gas Company Ltd. ("DelvinaCo"), which owns the Delvina Assets, to Ionian Gas Company Ltd. ("Ionian") in exchange for Ionian's agreement to pay \$12.0 million to DelvinaCo, which will be used primarily to repay debt and for general corporate purposes with respect to the Delvina Assets. These payments will be made each quarter over an 18-month period, with the first payment of \$1.0 million to be completed by November 2016. As a result of this transaction, we have recorded a gain on disposal of discontinued operations of \$9.4 million during three and nine months ended September 2016.

After the Transfer, the Company retained a 25% equity interest in DelvinaCo and has agreed to pay 25% of the operating costs of DelvinaCo, subject to a three-year deferral of capital expenditures. For the next three years, Ionian will be responsible for all agreed upon capital expenditures with respect to the Delvina Assets. At the end of the three-year period, the Company will be required to either reimburse Ionian for its 25% share of such capital expenditures or face dilution in its ownership of DelvinaCo. As of September 30, 2016, we no longer hold our 25% interest in DelvinaCo as assets held for sale, and have consolidated our interest using proportionate consolidation.

At December 31, 2015, TransAtlantic Albania's third-party debt consisted of the following:

	December 31, 2015
<b>Fixed and floating rate loans</b>	
Term Loan Facility	\$ 6,123
Loans payable	\$ 6,123

TransAtlantic Albania was a party to the Term Loan Facility with Raiffeisen. The loan was scheduled to mature on December 31, 2016 and bore interest at the rate of LIBOR plus 5.5%, with a minimum interest rate of 7.0%. TransAtlantic Albania was required to pay 1/16th of the total commitment each quarter on the last business day of each of March, June, September and December each year. The loan was guaranteed by TransAtlantic Albania's parent company, Stream. TransAtlantic Albania could prepay the loan at its option in whole or in part, subject to a 3.0% penalty plus breakage costs. The Term Loan Facility was secured by substantially all of the assets of TransAtlantic Albania.

As of December 31, 2015, TransAtlantic Albania had \$6.1 million outstanding under the Term Loan Facility and no availability. As of December 31, 2015, TransAtlantic Albania was in default under the Term Loan Facility for failure to repay \$1.1 million due on December 31, 2015. On February 29, 2016, we sold all the equity interest in Stream, the parent company of TransAtlantic Albania, to GBC Oil, who assumed the Term Loan Facility.

***Discontinued operations in Morocco***

On June 27, 2011, we decided to discontinue our operations in Morocco. We have substantially completed the process of winding down our operations in Morocco. We have presented the Moroccan segment operating results as discontinued operations for all periods presented.

***Assets and liabilities held for sale***

The assets and liabilities held for sale at December 31, 2015 were as shown below. As a result of the joint venture transaction related to the Delvina Assets and the reassessment of the Moroccan contingent liabilities, there were no remaining assets or liabilities held for sale at September 30, 2016.

	<u>Albania</u>	<u>Morocco</u>	<u>Total Held for Sale</u>
	(in thousands)		
<i>As of December 31, 2015</i>			
<b>Assets</b>			
Cash	\$ 1,201	\$ 16	\$ 1,217
Other current assets	1,853	11	1,864
Property and equipment, net	48,430	-	48,430
Total current assets held for sale	<u>\$ 51,484</u>	<u>\$ 27</u>	<u>\$ 51,511</u>
<b>Liabilities</b>			
Accounts payable and other accrued liabilities	\$ 37,888	\$ 6,352	\$ 44,240
Accounts payable - related party	3,540	-	3,540
Loans payable	6,123	-	6,123
Deferred tax liability	15,286	-	15,286
Total current liabilities held for sale	<u>\$ 62,837</u>	<u>\$ 6,352</u>	<u>\$ 69,189</u>

## Results of discontinued operations

Our operating results from discontinued operations for the three and nine months ended September 30, 2016 and 2015 are summarized as follows:

	Albania	Morocco	Total
	(in thousands)		
<i>For the three months ended September, 2016</i>			
Total revenues	\$ -	\$ -	\$ -
Production and transportation expense	-	-	-
Total other expenses (income)	17	(6,903)	(6,886)
(Loss) income before income taxes	\$ (17)	\$ 6,903	\$ 6,886
Gain on disposal of discontinued operations	9,419	-	9,419
Income tax benefit	-	-	-
Income from discontinued operations	\$ 9,402	\$ 6,903	\$ 16,305
<i>For the three months ended September, 2015</i>			
Total revenues	\$ 1,878	\$ -	\$ 1,878
Production and transportation expense	2,612	-	2,612
Total other costs and expenses	15,963	-	15,963
Total other income	(215)	-	(215)
Loss before income taxes	\$ (16,912)	\$ -	\$ (16,912)
Income tax benefit	6,181	-	6,181
Loss from discontinued operations	\$ (10,731)	\$ -	\$ (10,731)
<i>For the nine months ended September, 2016</i>			
Total revenues	\$ 626	\$ -	\$ 626
Production and transportation expense	1,155	-	1,155
Total other expenses (income)	544	(6,903)	(6,359)
(Loss) income before income taxes	\$ (1,073)	\$ 6,903	\$ 5,830
Gain on disposal of discontinued operations	10,168	-	10,168
Income tax benefit	204	-	204
Income from discontinued operations	\$ 9,299	\$ 6,903	\$ 16,202
<i>For the nine months ended September, 2015</i>			
Total revenues	\$ 6,554	\$ -	\$ 6,554
Production and transportation expense	8,759	-	8,759
Total other costs and expenses	20,794	-	20,794
Total other income	2,372	-	2,372
Loss before income taxes	\$ (20,627)	\$ -	\$ (20,627)
Income tax benefit	6,864	-	6,864
Loss from discontinued operations	\$ (13,763)	\$ -	\$ (13,763)

During the fourth quarter of 2015, we identified an error related to our deferred tax liability and deferred tax benefit that originated in prior periods and concluded that the error was not material to any of the previously reported periods or to the period in which the error was corrected. The impact of the error resulted in a decrease to our net loss from discontinued operations of \$4.7 million for each of the three and nine months ended September 30, 2015. This immaterial error was corrected in our third quarter of 2015 results of operations for discontinued operations.

## 14. Subsequent Events

### *Sale of TBNG*

On October 13, 2016, we entered into a share purchase agreement (the "Purchase Agreement") with Valeura Energy Netherlands B.V. ("Valeura") for the sale of all of the equity interests in TBNG, our wholly-owned subsidiary. TBNG owns a portion of the Company's interests in the Thrace Basin area in Turkey.

Pursuant to the Purchase Agreement, Valeura will pay \$22.0 million to TransAtlantic Worldwide, subject to purchase price adjustments for the period from March 31, 2016 (the effective date of the sale) through the closing date, in exchange for the transfer of all of the equity interests in TBNG.

The Purchase Agreement contains customary representations, warranties, covenants, indemnification and termination rights of the parties. The closing of the sale is subject to the satisfaction of certain closing conditions, including the receipt of required regulatory approvals and the sale by Valeura of certain assets to a third party. The Company expects the transaction to close during the fourth quarter of 2016 or the first quarter of 2017. However, there is no guarantee that the Company will be able to close the sale of TBNG.

#### ***Extension of ANBE Note***

On October 31, 2016, TransAtlantic USA entered into an amendment of the Note with ANBE (the “ANBE Amendment”). The ANBE Amendment extends the maturity date of the Note from October 31, 2016 to September 30, 2017, provides for the Note to be repaid in four quarterly installments of \$0.9 million each in December 2016 and March, June and September 2017, and provides for monthly payments of interest. In addition, pursuant to the ANBE Amendment, if the sale of TBNG is completed prior to the extended maturity date of the Note, then the Company will repay the Note in full with proceeds from the sale of TBNG within five business days from the closing of the sale.

#### ***Offering of Series A Preferred Shares***

On November 4, 2016, the Company issued 921,000 shares of its newly designated 12.0% Series A Convertible Redeemable Preferred Shares, par value \$0.01 per share and liquidation preference of \$50 per share (the “Series A Preferred Shares”), in private placements under the Securities Act. Of the 921,000 Series A Preferred Shares, (i) 815,000 shares were issued in a private placement exchange offer (the “Exchange Offer”) to certain holders of the 2017 Notes, at an exchange rate of 20 Series A Preferred Shares for each \$1,000 principal amount of 2017 Notes, and (ii) 106,000 shares were issued and sold in a private placement (the “Private Offering”) to certain holders of the 2017 Notes. All of the Series A Preferred Shares were issued at a value of \$50.00 per share. Gross proceeds from the Private Offering were \$5.3 million, which will be used by the Company to redeem \$4.3 million of 2017 Notes and for general corporate purposes. The Series A Convertible Redeemable Preferred Shares contain a substantive conversion option and convert into a fixed number of common shares. As a result, we will classify the Series A Preferred Shares within mezzanine equity in our consolidated balance sheet. After completion of the Exchange Offer, \$14.3 million aggregate principal amount of the 2017 Notes remain outstanding.

Pursuant to the Certificate of Designations for the Series A Preferred Shares (the “Certificate of Designations”), each Series A Preferred Share may be converted at any time (after approval of the listing of the common shares issuable upon conversion of the Series A Preferred Shares by the NYSE MKT and Toronto Stock Exchange) (the “Listing Condition”), at the option of the holder, into 45.754 common shares, par value \$0.10 per share (“Common Shares”) of the Company (which is equal to an initial conversion price of approximately \$1.0928 per Common Share and is subject to customary adjustment for stock splits, stock dividends, recapitalizations or other fundamental changes). During the period ending on November 4, 2017, the conversion rate will be adjusted on an economic weighted average anti-dilution basis for the issuance of Common Shares for cash at a price below the conversion price then in effect. Such anti-dilution protection shall exclude (i) dividends paid on the Series A Preferred Shares in Common Shares, (ii) issuances of Common Shares in connection with acquisitions, (iii) issuances of Common Shares under currently outstanding convertible notes and warrants and (iv) issuances of Common Shares in connection with employee compensation arrangements and employee benefit plans. This non-standard dilution adjustment clause will result in a contingent beneficial conversion feature.

If not converted sooner, on November 4, 2024, the Company is required to redeem the outstanding Series A Preferred Shares in cash at a price per share equal to the liquidation preference plus accrued and unpaid dividends. At any time on or after November 4, 2020, the Company may redeem all or a portion of the Series A Preferred Shares at the redemption prices listed below (expressed as a percentage of the liquidation preference amount per share) plus accrued and unpaid dividends to the date of redemption, if the closing sale price of the Common Shares equals or exceeds 150% of the conversion price then in effect for at least 10 trading days (whether or not consecutive) in a period of 20 consecutive trading days, including the last trading day of such 20 trading day period, ending on, and including, the trading day immediately preceding the business day on which the Company issues a notice of optional redemption. The redemption prices for the 12-month period starting on the date below are:

<b><u>Period Commencing</u></b>	<b><u>Redemption Price</u></b>
November 4, 2020	105.000%
November 4, 2021	103.000%
November 4, 2022	101.000%
November 4, 2023 and thereafter	100.000%

Additionally, upon the occurrence of a change of control, the Company is required to offer to redeem the Series A Preferred Shares within 120 days after the first date on which such change of control occurred, for cash at a redemption price equal to the liquidation preference per share, plus any accrued and unpaid dividends.

Dividends on the Series A Preferred Shares are payable quarterly at the election of the Company in cash, Common Shares or a combination of cash and Common Shares at an annual dividend rate of 12.0% of the liquidation preference if paid all in cash or 16.0% of the liquidation preference if paid in Common Shares. If paid partially in cash and partially in Common Shares, the dividend rate on the cash portion shall be 12.0%, and the dividend rate on the Common Share portion shall be 16.0%. Dividends are payable quarterly, on June 30, September 30, December 31, and March 31 of each year, beginning on December 31, 2016, with the dividend payable on December 31, 2016 being pro-rated for the period from November 4, 2016. The holders of the Series A Preferred Shares also shall be entitled to participate pro-rata in any dividends paid on the Common Shares on an as-converted-to-Common Shares basis.

Except as required by Bermuda law the holders of Series A Preferred Shares will have no voting rights, except that for so long as at least 400,000 Series A Preferred Shares are outstanding, the holders of the Series A Preferred Shares voting as a separate class shall have the right to elect two directors to the Company's Board of Directors. For so long as between 80,000 and 399,999 Series A Preferred Shares are outstanding, the holders of the Series A Preferred Shares voting as a separate class shall have the right to elect one director to the Company's Board of Directors. Upon less than 80,000 Series A Preferred Shares remaining outstanding, any directors elected by the holders of Series A Preferred Shares shall immediately resign from the Company's Board of Directors.

The Certificate of Designation also provides that without the approval of the holders of a majority of the outstanding Series A Preferred Shares, the Company will not issue indebtedness for money borrowed or other securities which are senior to the Series A Preferred Shares in excess of the greater of (i) \$100 million or (ii) 35% of Company's PV-10 of proved reserves as disclosed in its most recent independent reserve report filed or furnished by the Company on EDGAR. In addition, until the Company's 2017 Notes are repaid in full, the Company will not issue indebtedness for money borrowed (other than ordinary trade indebtedness and up to \$30.0 million borrowed from DenizBank) unless the net proceeds thereof are used (i) to redeem, retire or repay the 2017 Notes, (ii) spud, drill or complete two designated wells, or (iii) used in connection with collateralization or guarantees with respect to the Company's hedging efforts.

The Company has agreed to use commercially reasonable efforts to file a shelf registration statement for the resale of the Series A Preferred Shares and the Common Shares issuable upon conversion of the Series A Preferred Shares prior to November 5, 2017 and have such shelf registration statement declared effective by the Securities and Exchange Commission as soon as practicable after filing.

#### *Hedging Transactions*

On October 6, 2016, we entered into costless collars with DenizBank to hedge a portion of our oil production in Turkey. The following table sets forth information about these hedges.

Type	Period	Quantity (Bbl/day)	Collars	
			Weighted Average Minimum Price (per Bbl)	Weighted Average Maximum Price (per Bbl)
Collar	December 1, 2016 — December 31, 2016	290	\$ 47.50	\$ 61.00
Collar	January 1, 2017 — December 31, 2017	296	\$ 47.50	\$ 61.00
Collar	January 1, 2018 — May 31, 2018	298	\$ 47.50	\$ 61.00

## **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 the context requires otherwise. Unless stated otherwise, all sums of money stated in this Quarterly Report on Form 10-Q are expressed in U.S. Dollars.*

### ***Executive Overview***

We are an international oil and natural gas company engaged in acquisition, exploration, development and production. We have focused our operations in countries that have established yet underexplored petroleum systems, are net importers of petroleum, have an existing petroleum transportation infrastructure and provide favorable commodity pricing, royalty rates and tax rates to exploration and production companies. As of September 30, 2016, we held interests in approximately 1.2 million net acres of developed and undeveloped oil and natural gas properties in Turkey and Bulgaria. As of November 8, 2016, approximately 39% of our outstanding common shares were beneficially owned by N. Malone Mitchell 3rd, our chief executive officer and chairman of our board of directors.

TransAtlantic is a holding company with two operating segments – Turkey and Bulgaria. Its assets consist of its ownership interest in subsidiaries that primarily own assets in Turkey and Bulgaria, and an operated interest in a joint venture in Albania.

### ***Recent Developments***

*TEMI Term Loan.* On August 23, 2016, the Turkish branch of TransAtlantic Exploration Mediterranean International Pty Ltd ("TEMI") entered into a general credit agreement (the "Credit Agreement") with DenizBank, A.S. ("DenizBank"). On August 31, 2016, DenizBank entered into a \$30.0 million term loan (the "Term Loan") with TEMI under the Credit Agreement. TEMI is one of our wholly-owned subsidiaries.

On September 7, 2016, TEMI used approximately \$22.9 million of the proceeds from the Term Loan to repay in full (including accrued interest) our senior credit facility (the "Senior Credit Facility") with BNP Paribas (Suisse) SA ("BNP") and the International Finance Corporation, which was terminated upon repayment. In connection with repaying the Senior Credit Facility, we unwound our oil hedges with BNP, receiving proceeds of \$2.6 million.

The Term Loan bears interest at a fixed rate of 5.25% (plus 0.2625% for Banking and Insurance Transactions Tax per the Turkish government) per annum and is payable in six monthly installments of \$1.25 million each through February 2017 and thereafter in twelve monthly installments of \$1.88 million each through February 2018. The Term Loan matures in February 2018.

*Sale of TBNG.* On October 13, 2016, we entered into a share purchase agreement (the "Purchase Agreement") with Valeura Energy Netherlands B.V. ("Valeura") for the sale of all of the equity interests in Thrace Basin Natural Gas (Turkiye) Corporation ("TBNG"), our wholly-owned subsidiary. TBNG owns a portion of our interests in the Thrace Basin area in Turkey.

Pursuant to the Purchase Agreement, Valeura will pay \$22.0 million to TransAtlantic Worldwide, Ltd. ("TransAtlantic Worldwide"), one of our wholly-owned subsidiaries, subject to purchase price adjustments for the period from March 31, 2016 (the effective date of the sale) through the closing date, in exchange for the transfer of all of the equity interests in TBNG.

The Purchase Agreement contains customary representations, warranties, covenants, indemnification and termination rights of the parties. The closing of the sale is subject to the satisfaction of certain closing conditions, including the receipt of required regulatory approvals and the sale by Valeura of certain assets to a third party. We expect the transaction to close during the fourth quarter of 2016 or the first quarter of 2017. However, there is no guarantee that we will be able to close the sale of TBNG.

*Extension of ANBE Note.* On October 31, 2016, TransAtlantic Petroleum (USA) Corp. ("TransAtlantic USA"), one of our wholly-owned subsidiaries, entered into an amendment of a convertible promissory note (the "Note") with ANBE Holdings, L.P. (the "ANBE Amendment"). The ANBE Amendment extends the maturity date of the Note from October 31, 2016 to September 30, 2017, provides for the Note to be repaid in four quarterly installments of \$0.9 million each in December 2016 and March, June and September 2017, and provides for monthly payments of interest. In addition, pursuant to the ANBE Amendment, if the sale of TBNG is completed prior to the extended maturity date of the Note, then the Company will repay the Note in full with proceeds from the sale of TBNG within five business days from the closing of the sale.

*Offering of Series A Preferred Shares.* On November 4, 2016, we issued 921,000 shares of our newly designated 12.0% Series A Convertible Redeemable Preferred Shares, par value \$0.01 per share and liquidation preference of \$50 per share (the “Series A Preferred Shares”), in private placements under the Securities Act of 1933. Of the 921,000 Series A Preferred Shares, (i) 815,000 shares were issued in a private placement exchange offer (the “Exchange Offer”) to certain holders of our 13.0% convertible notes due 2017 (the “2017 Notes”), at an exchange rate of 20 Series A Preferred Shares for each \$1,000 principal amount of 2017 Notes, and (ii) 106,000 shares were issued and sold in a private placement (the “Private Offering”) to certain holders of 2017 Notes. All of the Series A Preferred Shares were issued at a value of \$50.00 per share. Gross proceeds from the Private Offering were approximately \$5.3 million, which will be used by us to redeem \$4.3 million of 2017 Notes and for general corporate purposes. After completion of the Exchange Offer, \$14.3 million aggregate principal amount of the 2017 Notes remain outstanding. The Series A Preferred Shares will be classified as mezzanine equity on our balance sheet. For more information on the terms of the Series A Preferred Shares, see “Note 14. Subsequent Events” to our consolidated financial statements included elsewhere in this quarterly report on Form 10-Q.

### **Going Concern**

At September 30, 2016, we had (i) \$78.0 million of short-term debt, consisting of \$19.4 million due under the Term Loan, \$3.6 million due under the Note and \$55.0 million of 2017 Notes due on July 1, 2017, (ii) \$20.6 million of cash and cash equivalents, and (iii) a working capital deficit of \$54.1 million. After the extension of the ANBE Note and the closing of the offering of Series A Preferred Shares, we have \$37.3 million of short-term debt, consisting of \$19.4 million due under the Term Loan, \$3.6 million due under the Note and \$14.3 million of 2017 Notes due on July 1, 2017, and we raised an additional \$5.3 million of cash to redeem \$4.3 million of 2017 Notes and for general corporate purposes. In addition, we have entered into the Purchase Agreement to sell TBNG for \$22.0 million, which we expect to close in the fourth quarter of 2016 or the first quarter of 2017, subject to the satisfaction of closing conditions.

Given the current market price for Brent crude, our working capital deficit and the amount of our short-term debt, we are focused on the following near-term business strategies: (i) consummating the sale of TBNG to raise cash to repay outstanding short-term indebtedness and for general corporate purposes, (ii) a development plan focused on maintaining our acreage position by drilling obligation wells and performing low cost, high return well optimizations, (iii) continued cost reduction measures to reduce our operating costs and general and administrative expenses, and (iv) raising additional cash for general corporate purposes, including our 2017 development plan.

These factors raise substantial doubt about our ability to continue as a going concern. The consolidated financial statements included in this report do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts of liabilities that might result from the outcome of this uncertainty.

### **Financial and Operational Performance Summary**

The following is a summary of our financial and operational performance for the third quarter of 2016:

- We reported a \$4.6 million net loss from continuing operations for the three months ended September 30, 2016.
- We derived 87.4% of our oil and natural gas revenues from the production of oil and 12.6% from the production of natural gas during the three months ended September 30, 2016.
- Total oil sales decreased \$0.2 million to \$13.5 million for the quarter ended September 30, 2016, from \$13.7 million in the same period in 2015. The decrease was primarily the result of a \$2.09 decrease in the average price received per barrel of oil (“Bbl”) which resulted in lower revenues of \$0.7 million. This was partially offset by an increase in oil sales volumes of 13 thousand barrels of oil (“Mbbl”) which resulted in higher revenues of \$0.5 million.
- Total natural gas sales decreased \$1.9 million to \$2.0 million for the quarter ended September 30, 2016, from \$3.9 million in the same period in 2015. The decrease was primarily the result of a decrease in sales volumes of 256 million cubic feet of natural gas (“Mmcf”) which resulted in lower revenues of \$1.8 million. Additionally, the average price received decreased \$0.27 per Mmcf of natural gas which resulted in lower revenues of \$0.1 million.
- For the quarter ended September 30, 2016, we incurred \$1.5 million in capital expenditures, including seismic and corporate expenditures, as compared to \$7.7 million for the quarter ended September 30, 2015.
- As of September 30, 2016, we had \$9.4 million in long-term debt and \$78.0 million in short-term debt, as compared to \$55.0 million in long-term debt and \$41.9 million in short-term debt as of December 31, 2015.

### ***Third Quarter 2016 Operational Update***

During the third quarter of 2016, we drilled one well and continued workover and production optimizations in Southeast Turkey. The following summarizes our operations by location during the third quarter of 2016:

#### *Turkey-Southeast*

In the Selmo and Bahar fields, we continued low cost well optimizations. In Bahar, we ran electric submersible pumps in the Bahar-3 and Bahar-4 wells, which resulted in incremental production of 500 gross barrels of oil per day (“Bopd”). We also completed facility upgrades and modifications in the Bahar field, and we are currently waiting for the arrival of power generation equipment, which will complete our electrification and gas utilization project. In Selmo, we completed pipeline and facility upgrades, which allowed further optimization work to be undertaken. As a result of this work, we added approximately 100 gross Bopd to our Selmo production.

#### *Turkey-Northwest*

In the Thrace Basin, we drilled one gross well, the Guney Reisdere-1 (50% working interest). The well was spud on August 2, 2016 as part of our drilling obligations on licenses in our Turkiye Petrolleri Anonim Ortakligi (“TPAO”) joint venture. The well reached a total depth of 9,243 feet. Although various gas shows were seen while drilling, open-hole logs did not indicate commercial quantities of reservoir quality rock and we subsequently plugged and abandoned the well.

#### *Bulgaria*

We continue to evaluate our position with updated geologic models and continue to market a joint venture exploration program for our assets in Bulgaria.

#### *Albania*

On September 1, 2016, we completed a joint venture transaction with respect to the assets in the Delvina gas field in Albania. We are the operator of the joint venture. We have begun engineering and geologic work in order to restart production in the most efficient and cost effective manner possible.

### ***Planned Operations for the fourth quarter 2016***

We currently plan to execute the following activities under our reduced development plan during the remainder of 2016:

*Turkey.* As a result of improved seismic interpretation and further engineering and geologic evaluation, we plan to drill or commence drilling between one and two wells during the remainder of 2016. These wells will be located in our Selmo and Bahar fields in Southeast Turkey. We are increasing the pumping capacity of the Bahar-1, Bahar-3 and Bahar-7 wells and the capacity to process and store oil. We will also complete an initial gas-to-electricity facility to provide power to operate our field operations.

*Bulgaria.* We plan to continue working on our geologic model for additional prospects and continue to market a joint venture exploration program for our assets in Bulgaria.

*Albania.* We plan to complete our engineering evaluation required to restart production and then hold a meeting with our JV partner in the fourth quarter of 2016 to agree upon future operations and budgets, with the goal of expeditiously restoring production and further developing the Delvina gas field.

### ***Discontinued Operations in Albania***

In February 2016, we sold all of the outstanding equity in our wholly-owned subsidiary, Stream Oil & Gas Ltd. (“Stream”), to GBC Oil Company Ltd. (“GBC Oil”) in exchange for (i) the future payment of \$2.3 million to Raiffeisen Bank Sh.A. (“Raiffeisen”) to pay down a term loan facility, and (ii) the assumption of \$29.2 million of liabilities owed by Stream, consisting of \$23.1 million of accounts payable and accrued liabilities and \$6.1 million of debt. TransAtlantic Albania Ltd. (“TransAtlantic Albania”), Stream’s wholly-owned subsidiary, owns all of our former Albanian oil assets and operations. In addition, GBC Oil issued us a warrant pursuant to which we have the option to acquire up to 25% of the fully diluted equity interests in TransAtlantic Albania for nominal consideration at any time on or before March 1, 2019.

On September 1, 2016, we completed a joint venture transaction with respect to the assets in the Delvina gas field in Albania (the “Delvina Assets”). We transferred (the “Transfer”) 75% of the outstanding shares of Delvina Gas Company Ltd. (“DelvinaCo”), which owns the Delvina Assets, to Ionian Gas Company Ltd. (“Ionian”) in exchange for Ionian’s agreement to pay \$12.0 million, which will be used primarily to repay debt and for general corporate purposes with respect to the Delvina Assets. These payments will be made each quarter over an 18-month period, with the first payment of \$1.0 million to be completed by November 2016. As a result of this transaction, we have recorded a gain on disposal of discontinued operations of \$9.4 million during three and nine months ended September 2016.

After the Transfer, we retained a 25% equity interest in DelvinaCo and agreed to pay 25% of the operating costs of DelvinaCo, subject to a three-year deferral of capital expenditures. For the next three years, Ionian will be responsible for all agreed upon capital expenditures with respect to the Delvina Assets. At the end of the three-year period, we will be required to either reimburse Ionian for our 25% share of such capital expenditures or face dilution in our ownership of DelvinaCo. As of September 30, 2016, we no longer hold our 25% interest in DelvinaCo as assets held for sale, and have consolidated our interest using proportionate consolidation.

#### ***Discontinued Operations in Morocco***

In June 2011, we decided to discontinue our Moroccan operations. We have substantially completed the process of winding down our operations in Morocco. We have presented the Moroccan segment operating results as discontinued operations for the three and nine months ended September 30, 2016 and September 30, 2015. During the three and nine months ended September 30, 2016, we reversed a contingent liability of \$6.3 million as it was deemed to no longer be probable of payment.

#### ***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 (“U.S. GAAP”). 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 “Note 3. Significant accounting policies” to our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2015 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, 2015.

**Results of Continuing Operations—Three Months Ended September 30, 2016 Compared to Three Months Ended September 30, 2015**

Our results of continuing operations for the three months ended September 30, 2016 and 2015 were as follows:

	<u>Three Months Ended September 30,</u>		<u>Change</u>
	<u>2016</u>	<u>2015</u>	<u>2016-2015</u>
	(in thousands of U.S. Dollars, except per unit amounts and production volumes)		
<b>Sales volumes:</b>			
Oil (Mbbbl)	338	325	13
Natural gas (Mmcf)	283	539	(256)
Total production (Mboe)	386	415	(29)
Average daily sales volumes (Boepd)	4,191	4,511	(320)
<b>Average prices:</b>			
Oil (per Bbl)	\$ 39.99	\$ 42.08	\$ (2.09)
Natural gas (per Mcf)	\$ 6.89	\$ 7.16	\$ (0.27)
Oil equivalent (per Boe)	\$ 40.15	\$ 42.28	\$ (2.13)
<b>Revenues:</b>			
Oil and natural gas sales	\$ 15,483	\$ 17,543	\$ (2,060)
Sales of purchased natural gas	1,171	756	415
Other	5	38	(33)
Total revenues	16,659	18,337	(1,678)
<b>Costs and expenses (income):</b>			
Production	3,070	3,104	(34)
Exploration, abandonment and impairment	1,531	3,762	(2,231)
Cost of purchased natural gas	1,027	668	359
General and administrative	2,659	4,849	(2,190)
Depletion	6,918	7,540	(622)
Depreciation and amortization	362	633	(271)
Interest and other expense	3,836	3,159	677
Interest and other income	(1,009)	(332)	(677)
Foreign exchange loss	390	1,221	(831)
<b>(Loss) gain on commodity derivative contracts:</b>			
Cash settlements on commodity derivative contracts	2,729	20,312	(17,583)
Change in fair value on commodity derivative contracts	(2,916)	4,580	(7,496)
Total (loss) gain on commodity derivative contracts	(187)	24,892	(25,079)
<b>Oil and natural gas costs per Boe:</b>			
Production	\$ 6.96	\$ 6.54	\$ 0.42
Depletion	\$ 15.70	\$ 15.90	\$ (0.20)

**Oil and Natural Gas Sales.** Total oil and natural gas sales revenues decreased \$2.1 million to \$15.5 million for the three months ended September 30, 2016, from \$17.5 million realized in the same period in 2015. The decrease was primarily due to a decrease in the average realized price per barrel of oil equivalent (“Boe”) and reduced production. Our average price received decreased \$2.13 per Boe to \$40.15 per Boe for the three months ended September 30, 2016, from \$42.28 per Boe for the same period in 2015. Additionally, our average daily sales volumes decreased by 320 barrels of oil equivalent per day (“Boepd”) for the three months ended September 30, 2016, as compared to the same period in 2015.

**Production.** Production expenses for the three months ended September 30, 2016 of \$3.1 million remained flat from the same period in 2015.

**Exploration, Abandonment and Impairment.** Exploration, abandonment and impairment costs for the three months ended September 30, 2016 decreased \$2.2 million to \$1.5 million, from \$3.8 million for the same period in 2015. During the three months ended September 30, 2016, we recorded \$0.7 million of exploratory well costs related to the Guney Residene well.

**General and Administrative.** General and administrative expense was \$2.7 million for the three months ended September 30, 2016, compared to \$4.8 million for the same period in 2015. Our general and administrative expenses decreased \$2.2 million due to a \$1.6 million decrease in personnel expenses, a \$0.3 million decrease in legal, accounting and other services and a decrease in office and travel expenses of \$0.3 million.

**Depletion.** Depletion decreased to \$6.9 million, or \$15.70 per Boe, for the three months ended September 30, 2016, compared to \$7.5 million, or \$15.90 per Boe, for the same period of 2015. The decrease was primarily due to a decrease in our production during the three months ended September 30, 2016, compared to the same period in 2015.

**Interest and Other Expense.** Interest and other expense increased to \$3.8 million for the three months ended September 30, 2016, compared to \$3.2 million for the same period in 2015. The increase was primarily due to the write-off of \$0.5 million of deferred financing costs associated with our former Senior Credit Facility, which we repaid during the quarter.

**Interest and Other Income.** Interest and other income increased to \$1.0 million for the three months ended September 30, 2016, as compared to \$0.3 million for the same period in 2015. This was primarily due to the sale of our Edirne gas gathering system and facilities, resulting in a gain of \$0.7 million.

**Foreign Exchange Loss.** We recorded a foreign exchange loss of \$0.4 million during the three months ended September 30, 2016, as compared to a loss of \$1.2 million in the same period in 2015. The foreign exchange loss is primarily unrealized (non-cash) in nature and results from re-measuring specific transactions and monetary accounts in a currency other than the functional currency. For example, a U.S. Dollar transaction which occurs in Turkey is re-measured at the period-end to the New Turkish Lira ("TRY") amount if it has not been settled previously. The foreign exchange loss for the three months ended September 30, 2016 was due to a 3.5% decrease in the value of the TRY compared to the U.S. Dollar, versus an 11.0% decrease in the value of the TRY for the three months ended September 30, 2015.

**(Loss) Gain on Commodity Derivative Contracts.** During the three months ended September 30, 2016, we recorded a net loss on commodity derivative contracts of \$0.2 million, as compared to a net gain of \$24.9 million for the same period in 2015. During the three months ended September 30, 2016, we recorded a \$2.9 million loss to mark our commodity derivative contracts to their fair value and a \$2.7 million gain on settled contracts. During the same period in 2015, we recorded a \$4.6 million gain to mark our derivative contracts to their fair value and a \$20.3 million gain on settled contracts.

**Other Comprehensive Income (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 September 30, 2016 decreased to a loss of \$4.0 million from a loss of \$21.7 million for the same period in 2015. The decrease in foreign currency translation loss in the three months ended September 30, 2016 was due to a 3.5% decrease in the value of the TRY as compared to the U.S. Dollar, versus an 11.0% decrease in the value of the TRY for the three months ended September 30, 2015.

**Discontinued Operations.** All revenues and expenses associated with our Albanian and Moroccan operations have been classified as discontinued operations. Our operating results from discontinued operations in Albania and Morocco are summarized as follows:

	Albania	Morocco	Total
	(in thousands)		
<i>For the three months ended September, 2016</i>			
Total revenues	\$ -	\$ -	\$ -
Production and transportation expense	-	-	-
Total other costs and expenses	17	(6,903)	(6,886)
(Loss) income before income taxes	\$ (17)	\$ 6,903	\$ 6,886
Gain on disposal of discontinued operations	9,419	-	9,419
Income tax benefit	-	-	-
Income from discontinued operations	\$ 9,402	\$ 6,903	\$ 16,305
<i>For the three months ended September, 2015</i>			
Total revenues	\$ 1,878	\$ -	\$ 1,878
Production and transportation expense	2,612	-	2,612
Total other costs and expenses	15,963	-	15,963
Total other income	(215)	-	(215)
Loss before income taxes	\$ (16,912)	\$ -	\$ (16,912)
Income tax benefit	6,181	-	6,181
Loss from discontinued operations	\$ (10,731)	\$ -	\$ (10,731)

**Results of Continuing Operations—Nine Months Ended September 30, 2016 Compared to Nine Months Ended September 30, 2015**

Our results of continuing operations for the nine months ended September 30, 2016 and 2015 were as follows:

	Nine Months Ended September 30,		Change
	2016	2015	2016-2015
(in thousands of U.S. Dollars, except per unit amounts and volumes)			
<b>Sales volumes:</b>			
Oil (Mbbbl)	1,024	1,049	(25)
Natural gas (Mmcf)	1,152	1,949	(797)
Total production (Mboe)	1,216	1,374	(158)
Average daily sales volumes (Boepd)	4,437	5,031	(594)
<b>Average prices:</b>			
Oil (per Bbl)	\$ 37.20	\$ 49.79	\$ (12.59)
Natural gas (per Mcf)	\$ 7.02	\$ 7.83	\$ (0.81)
Oil equivalent (per Boe)	\$ 37.98	\$ 49.12	\$ (11.14)
<b>Revenues:</b>			
Oil and natural gas sales	\$ 46,171	\$ 67,464	\$ (21,293)
Sales of purchased natural gas	3,717	1,544	2,173
Other	35	139	(104)
Total revenues	49,923	69,147	(19,224)
<b>Costs and expenses (income):</b>			
Production	9,025	10,059	(1,034)
Exploration, abandonment and impairment	2,964	8,202	(5,238)
Cost of purchased natural gas	3,264	1,403	1,861
General and administrative	11,401	18,664	(7,263)
Depletion	21,745	26,227	(4,482)
Depreciation and amortization	1,308	1,956	(648)
Interest and other expense	9,106	9,610	(504)
Interest and other income	(1,411)	(683)	(728)
Foreign exchange loss	659	6,867	(6,208)
<b>(Loss) gain on commodity derivative contracts:</b>			
Cash settlements on commodity derivative contracts	4,188	27,560	(23,372)
Change in fair value on commodity derivative contracts	(6,607)	(2,130)	(4,477)
Total (loss) gain on commodity derivative contracts	(2,419)	25,430	(27,849)
<b>Oil and natural gas costs per Boe:</b>			
Production	\$ 6.50	\$ 6.41	\$ 0.09
Depletion	\$ 16.65	\$ 16.71	\$ (0.06)

**Oil and Natural Gas Sales.** Total oil and natural gas sales revenues decreased \$21.3 million to \$46.2 million for the nine months ended September 30, 2016, from \$67.5 million realized in the same period in 2015. The decrease was primarily due to a decrease in the average realized price per Boe and reduced production. Our average price received decreased \$11.14 per Boe to \$37.98 per Boe for the nine months ended September 30, 2016, from \$49.12 per Boe for the same period in 2015. Additionally, our average daily sales volumes decreased 594 Boepd for the nine months ended September 30, 2016, as compared to the same period in 2015.

**Production.** Production expenses for the nine months ended September 30, 2016 decreased to \$9.0 million, or \$6.50 per Boe, from \$10.1 million, or \$6.41 per Boe, for the same period in 2015. The decrease in Turkey was primarily due to fewer workovers, reduced headcount and successful cost-cutting measures in our field operations during the nine months ended September 30, 2016, as compared to the same period in 2015.

**Exploration, Abandonment and Impairment.** Exploration, abandonment and impairment costs for the nine months ended September 30, 2016 decreased \$5.2 million to \$3.0 million, from \$8.2 million for the same period in 2015. During the nine months ended September 30, 2016, we incurred proved property impairment of \$1.4 million and exploratory well costs associated with the Guney Residere well of \$0.7 million.

**General and Administrative.** General and administrative expense was \$11.4 million for the nine months ended September 30, 2016, compared to \$18.7 million for the same period in 2015. Our general and administrative expenses decreased \$7.3 million due to a \$6.4 million decrease in personnel expenses, a \$0.6 million decrease in office expenses and a \$0.3 million decrease in travel expenses.

**Depletion.** Depletion decreased to \$21.7 million, or \$16.65 per Boe, for the nine months ended September 30, 2016, compared to \$26.2 million, or \$16.71 per Boe, for the same period of 2015. The decrease was primarily due to a reduction in the net book value of our Goksu field to zero during 2015, which resulted in lower depletion expense during the nine months ended September 30, 2016.

**Interest and Other Expense.** Interest and other expense decreased to \$9.1 million for the nine months ended September 30, 2016, compared to \$9.6 million for the same period in 2015. The decrease was primarily due to our lower average debt balances during the nine months ended September 30, 2016 versus the same period in 2015.

**Interest and Other Income.** Interest and other income increased to \$1.4 million for the nine months ended September 30, 2016, as compared to \$0.7 million for the same period in 2015. This was primarily due to the sale of our Edirne gas gathering system and facilities, resulting in a gain of \$0.7 million.

**Foreign Exchange Loss.** We recorded a foreign exchange loss of \$0.7 million during the nine months ended September 30, 2016, as compared to a loss of \$6.9 million in the same period in 2015. The foreign exchange loss is primarily unrealized (non-cash) in nature and results from re-measuring specific transactions and monetary accounts in a currency other than the functional currency. For example, a U.S. Dollar transaction which occurs in Turkey is re-measured at the period-end to the TRY amount if it has not been settled previously. The foreign exchange loss for the nine months ended September 30, 2016 was due to a 3.0% decrease in the value of the TRY compared to the U.S. Dollar, versus a 31.2% decrease in the value of the TRY for the nine months ended September 30, 2015.

**(Loss) Gain on Commodity Derivative Contracts.** During the nine months ended September 30, 2016, we recorded a net loss on commodity derivative contracts of \$2.4 million, as compared to a net gain of \$25.4 million for the same period in 2015. During the nine months ended September 30, 2016, we recorded a \$6.6 million loss to mark our commodity derivative contracts to their fair value and a \$4.2 million gain on settled contracts. During the same period in 2015, we recorded a \$2.1 million loss to mark our derivative contracts to their fair value and a \$27.6 million gain on settled contracts.

**Other Comprehensive Income (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 nine months ended September 30, 2016 decreased to a loss of \$3.3 million from a loss of \$50.3 million for the same period in 2015. The change in foreign currency translation adjustments in the nine months ended September 30, 2016 was due to a 3.0% decrease in the value of the TRY as compared to the U.S. Dollar, versus a 31.2% decrease in the value of the TRY for the nine months ended September 30, 2015.

**Discontinued Operations.** All revenues and expenses associated with our Albanian and Moroccan operations have been classified as discontinued operations. Our operating results from discontinued operations in Albania and Morocco are summarized as follows:

	Albania	Morocco	Total
	(in thousands)		
<i>For the nine months ended September, 2016</i>			
Total revenues	\$ 626	\$ -	\$ 626
Production and transportation expense	1,155	-	1,155
Total other costs and expenses	544	(6,903)	(6,359)
(Loss) income before income taxes	\$ (1,073)	\$ 6,903	\$ 5,830
Gain on disposal of discontinued operations	10,168	-	10,168
Income tax benefit	204	-	204
Income from discontinued operations	\$ 9,299	\$ 6,903	\$ 16,202
<i>For the nine months ended September, 2015</i>			
Total revenues	\$ 6,554	\$ -	\$ 6,554
Production and transportation expense	8,759	-	8,759
Total other costs and expenses	20,794	-	20,794
Total other income	2,372	-	2,372
Loss before income taxes	\$ (20,627)	\$ -	\$ (20,627)
Income tax benefit	6,864	-	6,864
Loss from discontinued operations	\$ (13,763)	\$ -	\$ (13,763)

### **Capital Expenditures**

For the three months ended September 30, 2016, we incurred \$1.5 million in capital expenditures, including seismic and corporate expenditures, as compared to \$7.7 million for the quarter ended September 30, 2015. The decrease was due to our planned reduction in capital expenditures during the three months ended September 30, 2016.

For the nine months ended September 30, 2016, we incurred \$4.7 million in capital expenditures, including seismic and corporate expenditures, as compared to \$18.6 million for the nine months ended September 30, 2015. The decrease was due to our planned reduction in capital expenditures during the nine months ended September 30, 2016.

We expect our net field capital expenditures for the remainder of 2016 to range between \$2.5 million and \$4.5 million in Turkey for new wells and low cost, high return well optimizations. We do not anticipate material capital expenditures in Bulgaria during the remainder of 2016. We expect cash on hand and cash flow from operations will be sufficient to fund our remaining 2016 net field capital expenditures. If not, we will either curtail our discretionary capital expenditures or seek other funding sources. Our projected 2016 capital expenditure budget is subject to change.

### **Cash Flows**

Net cash provided by operating activities from continuing operations during the nine months ended September 30, 2016 was \$19.6 million, a decrease from net cash provided by operating activities from continuing operations of \$52.9 million during the same period in 2015, due primarily to a decrease in our oil and natural gas sales and a decrease in cash settlements on our commodity derivative contracts. Net cash provided by investing activities from continuing operations for the nine months ended September 30, 2016 increased to \$2.7 million, compared to net cash used in investing activities from continuing operations of \$23.6 million for the same period in 2015, due primarily to a decrease in drilling operations in light of the low oil price environment. Additionally, net cash used in financing activities from continuing operations for the nine months ended September 30, 2016 was \$7.8 million, a decrease from net cash used in financing activities from continuing operations of \$13.9 million for the same period in 2015, due primarily to a decrease in our net borrowings and higher loan repayments in 2016.

### **Liquidity and Capital Resources**

On a consolidated basis, as of September 30, 2016, we had \$87.4 million of indebtedness, not including \$14.5 million of trade payables, as further described below. We believe that our cash flow from operations will be sufficient to meet our normal operating requirements and to fund planned capital expenditures during the next twelve months.

## **Outstanding Debt**

At September 30, 2016, we had the Term Loan, the Note and 2017 Notes outstanding, all of which are discussed below.

*Term Loan.* On August 31, 2016, DenizBank entered into the \$30.0 million Term Loan with TEMI. In addition, the Company and DenizBank entered into additional agreements with respect to up to \$20.0 million of non-cash facilities, including guarantee letters and treasury instruments for future hedging transactions. On September 7, 2016, TEMI used approximately \$22.9 million of the proceeds from the Term Loan to repay in full the Senior Credit Facility.

The Term Loan bears interest at a fixed rate of 5.25% (plus 0.2625% for Banking and Insurance Transactions Tax per the Turkish government) per annum and is payable in six monthly installments of \$1.25 million each through February 2017 and thereafter in twelve monthly installments of \$1.88 million each through February 2018. The Term Loan matures in February 2018. Amounts repaid under the Term Loan may not be re-borrowed, and early repayments under the Term Loan are subject to early repayment fees.

The Term Loan is guaranteed by DMLP, Ltd. (“DMLP”), TransAtlantic Turkey, Ltd. (“TransAtlantic Turkey”), Talon Exploration, Ltd. (“Talon Exploration”) and TransAtlantic Worldwide (collectively, the “Guarantors”). Each of the Guarantors is a wholly-owned subsidiary of the Company.

The Term Loan contains standard prohibitions on the activities of TEMI as the borrower, including prohibitions on granting of liens on its assets, incurring additional debt, dissolving, liquidating, merging, consolidating, paying dividends, making certain investments, selling assets or transferring revenue, and other similar matters. In addition, the Term Loan prohibits Amity Oil International Pty Ltd (“Amity”) and Petrogas Petrol Gaz ve Petrokimya Urunleri Insaat Sanayi ve Ticaret A.S. (“Petrogas”) from incurring additional debt. An event of default under the Term Loan includes, among other events, failure to pay principal or interest when due, breach of certain covenants, representations, warranties and obligations, bankruptcy or insolvency and the occurrence of a material adverse effect.

The Term Loan is secured by a pledge of (i) the stock of TEMI, DMLP, TransAtlantic Turkey and Talon Exploration, (ii) substantially all of the assets of TEMI, (iii) certain real estate owned by Petrogas, (iv) the Gundem real estate and Muratli real estate owned by Gundem Turizm Yatirim ve Isletmeleri A.S. (“Gundem”) and (v) the Diyarbakir real estate owned 80% by N. Malone Mitchell 3<sup>rd</sup> and 20% by Selami Erdem Uras. In addition, TEMI assigned its Turkish collection accounts and its receivables from the sale of oil to the Lender as additional security for the Term Loan. Gundem is beneficially owned by Mr. Mitchell, his adult children, and Mr. Uras. Mr. Mitchell is our chief executive officer and chairman of our board of directors. Mr. Uras is our vice president, Turkey.

At September 30, 2016, we had \$28.8 million outstanding under the Term Loan and no availability, and we were in compliance with the covenants in the Term Loan.

*2017 Notes.* At September 30, 2016, we had \$55.0 million aggregate principal amount of 2017 Notes. The 2017 Notes bear interest at an annual rate of 13.0% per annum. Interest is payable semi-annually, in arrears, on January 1 and July 1 of each year. The 2017 Notes mature on July 1, 2017. The 2017 Notes are convertible at any time, at the election of a holder, into our common shares at a conversion price of \$6.80 per share.

On November 4, 2016, we exchanged \$40.8 million of 2017 Notes for 815,000 of our Series A Preferred Shares. After the consummation of the Exchange Offer, we had \$14.3 million aggregate principal amount of 2017 Notes outstanding. In addition, we expect to redeem \$4.3 million of 2017 Notes with the proceeds of our offering of Series A Preferred Shares.

*ANBE Note.* On December 30, 2015, TransAtlantic USA entered into the Note with ANBE Holdings, L.P. (“ANBE”), an entity owned by the adult children of Mr. Mitchell and controlled by an entity managed by Mr. Mitchell and his wife. The Note bears interest at a rate of 13.0% per annum. On December 30, 2015, the Company borrowed \$3.6 million under the Note (the “Initial Advance”) for general corporate purposes. As of September 30, 2016, we had borrowed \$3.6 million under the Note and had no availability.

Advances under the Note may be converted, at the election of ANBE, into common shares any time prior to the maturity of the Note. The conversion price per common share for each advance is equal to 105% of the closing price of the Company’s common shares on the NYSE MKT on the trading date immediately prior to such advance. The conversion price of the Initial Advance is \$1.3755 per share.

On October 31, 2016, TransAtlantic USA entered into the ANBE Amendment. The ANBE Amendment extends the maturity date of the Note from October 31, 2016 to September 30, 2017, provides for the Note to be repaid in four quarterly installments of \$0.9 million each in December 2016 and March, June and September 2017 and provides for monthly payments of interest. In addition, pursuant to the ANBE Amendment, if the sale of TBNG is completed prior to the extended maturity date of the Note, then the Company will repay the Note in full with proceeds from the sale of TBNG within five business days from the closing of the sale.

### Contractual Obligations

The following table presents a summary of our contractual obligations at September 30, 2016 and have been adjusted to reflect our subsequent events described in “Note 14. Subsequent Events”.

	Payments Due By Year						
	Total	2016	2017	2018	2019	2020	Thereafter
Debt	\$ 46,592	\$ 4,648	\$ 38,194	\$ 3,750	\$ -	\$ -	\$ -
Series A Preferred Shares	46,050	-	-	-	-	-	46,050 <sup>(1)</sup>
Series A Preferred Shares dividends <sup>(2)</sup>	44,208	860	5,526	5,526	5,526	5,526	21,244
Interest	4,068	709	3,271	88	-	-	-
Leases	1,056	92	518	446	-	-	-
Total	\$ 141,974	\$ 6,309	\$ 47,509	\$ 9,810	\$ 5,526	\$ 5,526	\$ 67,294

- (1) Represents the redemption amount of the Series A Preferred Shares payable on November 4, 2024 and assumes no conversion of the Series A Preferred Shares into Common Shares or redemption of the Series A Preferred Shares, in each case, prior to November 4, 2024.
- (2) Dividends on the Series A Preferred Shares may be paid by the Company, in its sole discretion, in cash at a rate of 12% per annum or in common shares at a rate of 16% per annum or in a combination of cash and common shares. The amounts in the table assume that the Company pays all future dividend payments solely in cash.

### Item 3. Quantitative and Qualitative Disclosures about Market Risk

Our derivative contracts may expose us to credit risk in the event of nonperformance by our counterparty. While collateral is generally not required to be posted by counterparties, credit risk associated with derivative instruments is minimized by entering into derivative instruments only with creditworthy counterparties that are generally large financial institutions. Additionally, master netting agreements are used to mitigate risk of loss due to default with counterparties on derivative instruments. These agreements allow us to offset our asset position with our liability position in the event of default by the counterparty.

During the third quarter of 2016, other than the unwind of our hedges with BNP upon repayment of the Senior Credit Facility, there were no material changes in market risk exposures or their management that would affect the Quantitative or Qualitative Disclosures About Market Risk disclosed in our Annual Report on Form 10-K for the year ended December 31, 2015. The following tables set forth our derivatives contracts which were entered into with DenizBank on October 6, 2016, and are settled based on Brent crude oil pricing:

Type	Period	Quantity (Bbl/day)	Collars	
			Weighted Average Minimum Price (per Bbl)	Weighted Average Maximum Price (per Bbl)
Collar	December 1, 2016 — December 31, 2016	290	\$ 47.50	\$ 61.00
Collar	January 1, 2017 — December 31, 2017	296	\$ 47.50	\$ 61.00
Collar	January 1, 2018 — May 31, 2018	298	\$ 47.50	\$ 61.00

### Item 4. Controls and Procedures

#### 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 September 30, 2016, 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 (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act). Based upon the evaluation, our chief executive officer and chief financial officer concluded that, as of September 30, 2016, our disclosure controls and procedures were 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 quarter ended September 30, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

During the third quarter of 2016, there were no material developments to the Legal Proceedings disclosed in “Part I, Item 3. Legal Proceedings” in our Annual Report on Form 10-K for the year ended December 31, 2015.

### Item 1A. Risk Factors

During the third quarter of 2016, there were no material changes to the risk factors disclosed in our Annual Report on Form 10-K for the year ended December 31, 2015.

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

None.

### Item 3. Defaults Upon Senior Securities

None.

### Item 4. Mine Safety Disclosures

Not applicable.

### Item 5. Other Information

## RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges for the nine months ended September 30, 2016. You should read this ratio in connection with our consolidated financial statements and the related notes included in this Quarterly Report on Form 10-Q. Because we did not have preferred stock outstanding during this period, our ratio of earnings to combined fixed charges and preferred dividends for any given period is equivalent to our ratio of earnings to fixed charges.

	Nine Months Ended September 30, 2016
Ratio of earnings to fixed charges	\$ -
Deficiency of earnings to fixed charges (in thousands)	20,033

For purposes of calculating the ratio of earnings to fixed charges, “earnings” represents income (loss) from continuing operations before income taxes plus fixed charges. “Fixed charges” includes interest expense, capitalized interest, amortization of discount and capitalized expenses related to indebtedness and the portion of rental expense that management believes is representative of the interest component of rental expense. The ratio of earnings to fixed charges presented in this Form 10-Q may not be comparable to similarly titled measures presented by other companies, and may not be comparable to corresponding measures used in our various agreements, including the Senior Credit Facility.

## PRICE RANGE OF OUR COMMON SHARES

### Canada

Our common shares are traded in Canada on the Toronto Stock Exchange (the "TSX") under the trading symbol "TNP". The following table sets forth the quarterly high and low sales prices per common share in Canadian dollars on the TSX for the period indicated.

	<u>High</u>		<u>Low</u>
2016:	\$ 1.96	\$	0.93
Third Quarter			

### United States

Our common shares are traded in the United States on the NYSE MKT under the trading symbol "TAT". The following table sets forth the high and low sales price per common share in U.S. Dollars on the NYSE MKT for the period indicated.

	<u>High</u>		<u>Low</u>
2016:	\$ 1.52	\$	0.71
Third Quarter			

**Item 6. Exhibits**

- 2.1 Share Purchase Agreement, dated February 29, 2016, among TransAtlantic Holdings B.C. Ltd. and Continental Oil & Gas (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K dated February 29, 2016, filed with the SEC on March 4, 2016).
- 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 Altered Memorandum of Continuance of TransAtlantic Petroleum Ltd., dated March 4, 2014 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated March 6, 2014, filed with the SEC on March 6, 2014).
- 3.3 Amended Bye-Laws of TransAtlantic Petroleum Ltd., dated March 4, 2014 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K dated March 6, 2014, filed with the SEC on March 6, 2014).
- 10.1\* Form of General Credit Agreement between DenizBank A.S. and each of TransAtlantic Exploration Mediterranean International Pty Ltd, TransAtlantic Turkey, Ltd., DMLP, Ltd. and Talon Exploration, Ltd, dated August 23, 2016.
- 10.2\* Current Account Loan Agreement between TransAtlantic Exploration Mediterranean International Pty Ltd and DenizBank A.S., dated August 31, 2016.
- 10.3 Amendment of Convertible Promissory Note, dated October 31, 2016, by and between ANBE Holdings, L.P. and TransAtlantic Petroleum Ltd. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated October 31, 2016, filed with the SEC on November 4, 2016).
- 12.1\* Ratio of Earnings to Fixed Charges
- 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 Principal Accounting and 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 Principal Accounting and Financial Officer of the Company, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 101.INS\* XBRL Instance Document.
- 101.SCH\* XBRL Taxonomy Extension Schema Document.
- 101.CAL\* XBRL Taxonomy Extension Calculation Linkbase Document.
- 101.DEF\* XBRL Taxonomy Extension Definition Linkbase Document.
- 101.LAB\* XBRL Taxonomy Extension Label Linkbase Document.
- 101.PRE\* XBRL Taxonomy Extension Presentation Linkbase Document.

\* Filed herewith.

\*\* Furnished herewith.

### 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/ Christopher R. Elmore  
**Christopher R. Elmore**  
**Principal Accounting and Financial Officer**

Date: November 9, 2016

## INDEX TO EXHIBITS

- 2.1 Share Purchase Agreement, dated February 29, 2016, among TransAtlantic Holdings B.C. Ltd. and Continental Oil & Gas (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K dated February 29, 2016, filed with the SEC on March 4, 2016).
- 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 Altered Memorandum of Continuance of TransAtlantic Petroleum Ltd., dated March 4, 2014 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated March 6, 2014, filed with the SEC on March 6, 2014).
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\*\* Furnished herewith.

# GENERAL CREDIT AGREEMENT



Müşterinin Adı Unvanı / Client Name Title

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

KT 01/14 5-053 6 2 2

**DenizBank** 

## GENEL KREDİ SÖZLEŞMESİ

İşbu Genel Kredi Sözleşmesi ("Sözleşme"), Sözleşme sonunda belirtilen tarihte ("İmza Tarihi") ve yine Sözleşme sonunda isim/ticari unvan ve adresleri belirtilen müşteri ("Kredi Alan") ile Denizbank A.Ş. (tüm yurtiçi ve yurtdışı şubeleri dâhil "Banka") arasında akdedilmiştir.

Bundan böyle Kredi Alan ile Banka tek tek "Taraf" ve birlikte "Taraflar" olarak anılacaklardır.

### MADDE I TANIMLAR

**1.01 Tanımlar:** İşbu Sözleşmede aksi belirtilmedikçe;

**Alt Kuruluş,** herhangi bir kişi ile ilgili olarak söz konusu kişi tarafından doğrudan ya da dolaylı olarak kontrol edilen veya kontrolü altında bulunan kişiyi; (işbu Alt Kuruluş tanımı kapsamında, bir kişinin "kontrolü" direkt ya da dolaylı (i) vekâlet, sözleşme veya hisse mülkiyeti yoluyla, söz konusu kişinin müdürlerinin seçimi için oy verme yetkisi olan ve hisselerin %15 veya daha fazlası için oy verebilme, (ii) vekâlet, sözleşme veya hisse mülkiyeti yoluyla, söz konusu kişinin yönetim ve siyasetlerinin idaresi veya idare ettirilmesi veya (iii) aralarında birinin ödeme güçlüğüne düşmesinin diğerinin ödeme güçlüğüne düşmesi sonucunu doğuracak boyutta kefalet, garanti veya benzeri ilişkiler bulunma demektir.)

**Aktifler,** ilgili kişinin mevcut veya gelecekteki veya arzı ticari faaliyet, taahhüt, mülkiyet, aktif (maddi veya gayrimaddi), gelir, hak ve apeli yapılmamış sermaye ile her türlü faizini; (İşbu Aktifler tanımı finansal hesaplama ile ilgili kullanıldığında "arız" terimi, bu tanıma dahil olarak kabul edilmeyecektir.)

**Borçlu,** Kredi Alanı, ilgili kredinin teminatı olarak Kredi Alan lehine kefil olan veya Finansman Belgeleri çerçevesinde Bankaya karşı asli veya ferî, niteliği, cinsi ve miktarı ne olursa olsun, herhangi bir borç, yükümlülük, taahhüt yahut bir işlem dolayısıyla herhangi bir şekilde davranış veya ifa yahut eda borcu altına giren kişilerin her birini, hepsini;

**Ay,** ("takvim ayı" ifadesinin kullanıldığı yerler hariç) herhangi bir takvim ayı içinde herhangi bir gün başlayan ve bir sonraki ay aynı gün sona eren bir dönemi (veya çoğul aylarda müteakip takvim ayını); (İşbu Ay tanımı kapsamında, (i) ilgili dönemin son günü İş Günü olmayan bir güne denk geliyorsa; Ay, aynı takvim ayı içindeki bir sonraki İş Gününde veya böyle bir gün yoksa bir sonraki ayın ilk İş Gününde veya (ii) ilgili dönemin ilk günü herhangi bir takvim ayının son İş Gününe denk geliyorsa bu dönemin son günü ilgili takvim ayı içinde sayısal olarak bir güne denk gelmiyorsa Ay, o takvim ayını izleyen ayın ilk İş Günü sona erecektir.)

**Borçluluk,** herhangi bir Borçlunun mevcut veya gelecekteki, fiili veya arzı paraları (ister anapara ister teminat) ödemesi veya geri ödemesi yükümlülüğünü; (işbu Borçluluk tanımı finansal hesaplama ile ilgili kullanıldığında, "arız" terimi bu tanıma dahil olarak kabul edilmeyecektir.)

## GENERAL CREDIT AGREEMENT

This General Credit Agreement (the "Agreement") is made on the date stated on the last page of this Agreement (the "Signature Date") by and between Denizbank A.Ş. (the "Bank", including all its domestic and foreign branches) and the customer whose name/commercial title and address are again stated on the last page of this Agreement (the "Borrower").

The Bank and the Borrower shall hereinafter individually be referred to as "Party" and collectively as the "Parties".

### ARTICLE I DEFINITIONS

**1.01 Definitions: In this Agreement,**

unless otherwise stated, the following terms shall have the meanings set out below:

**Subsidiary means;** with respect to any given Person, any other Person that is directly or indirectly controlled by or is under common control with such given Person; (for purposes of this subsidiary definition herein; "control" of any person means, directly or indirectly; (i) holding the power to vote for the election of the directors of such person through any contract, proxy or share ownership, and 15% or more of the voting shares, (ii) having a control or cause the control of the management and policies of such person by any contract, proxy or share ownership, or (iii) having a surety, guarantee or similar relationship between them to such an extent that the insolvency of one of the parties would result the other party to become insolvent).

**Assets mean;** any existing or future or contingent commercial activity, engagement, ownership, property (tangible or intangible), earning, right, and uncalled capital and it's all type of Interests of the relevant person; (When this Assets definition herein is used in relation to the financial calculation, the term "contingent" shall not be deemed to be included in this definition).

**Borrower means;** a Person who receives a credit; each and all of the persons who act(s) as guarantor for the benefit of that Person as a collateral security for such credit or who becomes) primarily or secondarily liable for any act or performance or debt in any manner under the Financing Documents to the Bank as a consequence of any debt, obligation, commitment or a transaction regardless of its nature, amount and type.

**Month means** (except in places where the term "calendar month" is used); a period that starts from at any date of any calendar month and ends at the same day of the next month (or, the consecutive calendar month for the plural months); (for purposes of this Month definition herein, (i) if the last day of the relevant period falls on a day that is not a Business Day; the Month shall end; on the next Business Day of the same calendar month or on the first Business Day of the next month if such a day does not exist, or (ii) if the first day of the relevant period falls on the last Business Day of any calendar month; the Month shall end; on the last day of such period; or if it does not numerically fall on a day in the relevant calendar month, on the first Business Day of the month following such calendar month).

**Ek Sözleşme**, Ek A- Akreditif Düzenlenmesine Ve İthalat Kabul Ve Aval Kredisine İlişkin Gayrinakdi Kredi Sözleşmesi, Ek A- Cari Kıymetli Maden Kredisi Sözleşmesi, Ek A- İhracat, İhracat Sayılan Satış Ve Teslim İle Döviz Kazandırıcı Hizmet Ve Faaliyetlere İlişkin Kredi Sözleşmesi, Ek A-Cari Hesap Kredisi Sözleşmesi, Ek A-Teminat Mektubu, Kontrgaranti, Teminat Akreditifi Düzenlenmesine İlişkin Gayrinakdi Kredi Sözleşmesi, Ek B- Vadeli Kıymetli Maden Kredisi Sözleşmesi, Ek B- Vadeli Kredi Sözleşmesi dahil olmak üzere, işbu

Sözleşme kapsamında kullanılacak kredinin türüne göre Taraflar arasında işbu Sözleşmenin eki olarak akdedilecek ek kredi sözleşmesini;

**Esaslı Olumsuz Etki**, Borçlulardan herhangi birinin mali durumunu, ticari faaliyetlerini, varlıklarını, Aktiflerini veya nakit akışını, herhangi bir Finansman Belgesinden kaynaklanan ödeme yükümlülüğü dahil herhangi bir yükümlülüğünü yerine getirmesini veya Bankanın Finansman Belgeleri tahtında sahip olduğu hak ve imkânları veya Finansman Belgelerinin hukuka uygunluğunu veya icra edilebilirliğini, talep edilebilirliğini, İmza-tarihindeki durumuna göre önemli ölçüde olumsuz etkileyen ve/veya zorlaştıran veya ortadan kaldıran Borçlular nezdinde gerçekleşen herhangi bir durum veya olayı veya Kredi Alanın Alt Kuruluşlarından herhangi birinin vadesi gelmiş bir borcu için temerrüde düşmesini;

**Finansman Belgeleri**, İşbu Sözleşmeyi, işbu Sözleşme çerçevesinde Kredi Alanın ve diğer Borçluların belli bir krediye ilişkin olarak Banka ile akdettiği her türlü ek sözleşmeleri ve teminat sözleşmelerini, ilgili kredilerin teminat olarak Kredi Alan lehine kefil olan veya sair türlü teminat veren üçüncü kişi veya kişilerin Banka ile akdettikleri her türlü teminat sözleşmelerini veya her ne nam altında olursa olsun bu nitelikte olan tüm belgeleri;

**İş Günü**, bankaların Türkiye Cumhuriyeti'nde faaliyet göstermek üzere açık bulunduğu (ve kanunlarla kapanmasına izin verilmeyen) günü; (Cumartesi, Pazar veya tatil günü hariç)

Onaylanmış Muhasebe İlkeleri, Türkiye Muhasebe Standartları Kurumu tarafından kabul edilen muhasebe ilkelerini;

**Potansiyel Temerrüt Durumu**, işbu Sözleşme tahtında Kredi Alana kullanılan tüm krediler her türlü ferileri ile birlikte tam olarak Bankaya geri ödeninceye kadar ("Sözleşme Süresi") herhangi bir zamanda Kredi Alanın işbu Sözleşmeden doğan yükümlülüklerini tam ve eksiksiz olarak ifa etmesini engelleyebilecek veya bu duruma yol açabilecek ve neticede bir Temerrüt Durumu oluşturabilecek herhangi bir olayı;

**Risk Grubu**, 5411 sayılı Bankacılık Kanununun 49. maddesinde tanımlanan risk grubunu,

**Takyidat**, ne şekilde oluştuğuna bakılmaksızın, satış veya repo anlaşması dahil ama bunlarla sınırlı olmaksızın herhangi bir aktitten veya sair kaynaktan doğan, ilgili kredi tahtında temin edilecek teminatların tesisinde etkisi olan, herhangi bir ipotek, rehin, haciz, borç (sabit veya esnek), mahsup hakkı, mülkiyet muhafazası, teminat altında temlik ya da diğer benzeri işlemleri;

**Tasfiye**, ilgili kişinin kurulduğu, tescil edildiği, tesis edildiği veya ticari faaliyetini yürüttüğü veya tabi olduğu kazai makamlarda, o kişinin ve/veya ticari faaliyetinin sona ermesini ve/veya iflası ve/veya buna benzer bir işleme tabi tutulmasını;

**Indebtedness means**; the obligation of any Borrower to pay or repay its existing or future actual or contingent funds (either the principal or the guarantee); (When this Indebtedness definition herein is used in relation to the financial calculation, the term "contingent" shall not be deemed to be included in this definition).

**Supplementary Agreement means**; the supplementary credit agreement to be executed between the Parties as an attachment to this Agreement according to the type of credit to be used Pursuant to this Agreement, including Schedule-A:

Non-Cash Credit Agreement for the

Letter of Credit Issuance and Import Acceptance and Aval Loans, Schedule-A: Current Precious Metal Loan Agreement, Schedule-A: Credit Agreement for Export, Sale and Delivery that considered as Export and Foreign Currency Earning Services and Activities, Schedule-A: Current Account Loan Agreement, Schedule -A: Non-Cash Credit Agreement for the Issuance of Letter of Guarantee, Counter-Guarantee and Stand-by Letter of Credit, Schedule-B: Deferred Payment Precious Metal Loan Agreement, Schedule -B: Deferred Payment Loan Agreement.

**Material Adverse Effect means**; any event or situation occurring in respect to the Borrowers which would materially and adversely affect and/or interfere or prohibit, by comparison to their positions on the Signature Date, the financial conditions, commercial operations, properties, Assets or cash flows of any or the Borrowers, their ability to perform any of their obligations, including also the payment obligation, arising out of any Financing Document, or the rights and remedies they own under the Financing Documents of the Bank or the legal compliance or performability, substitutability of the Financing Documents; or the default of any Affiliate of the Borrower on any of its debt that became due.

**Financing Documents mean**; this Agreement; all types of supplementary agreements and guarantee agreements made by the Borrower and other Debtors with the Bank in respect to a specific credit facility pursuant to this Agreement; all types of guarantee agreements made with the Bank by third person or people who act(s) as guarantor or provide(s) other types of collateral for the benefit of the Borrower as the collateral of such credit facility, or all documents that are qualified as such regardless of what their name or type is.

**Business Day means**; a day on which the banks are open for business in the Republic of Turkey (and is not authorized or required by law to remain closed); (excluding Saturdays, Sundays, or general holidays).

Accepted Accounting Principles mean; the accounting principles accepted by the Turkish Accounting Standards Board;

**Potential Event of Default means**; any event which may prevent the Borrower to fully perform its obligations arising from this Agreement or may lead to such a situation and consequently constitute an Event of Default at any time until all facilities granted to the Borrower under this Agreement are entirely paid back to the Bank together with their accessory obligations (the "Term of the Agreement").

**TBHS**, Banka ile Kredi Alan arasında akdedilmiş olan, Banka tarafından anılan sözleşmede belirtilen hizmetlerin verilmesi hususunda bir çerçeve sözleşme niteliğini taşıyan cari Temel Bankacılık Hizmetleri Sözleşmesini;

**TCMB**, Türkiye Cumhuriyet Merkez Bankası'nı;

**TL**, Türkiye Cumhuriyeti'nin kanuni para birimini;

**Vergiler**, ilgili kişinin her türlü mevcut ve gelecekteki, Kaynak Kullanımını Destekleme Fonu, Banka Sigorta Muamele Vergisi, gelir vergisi dahil tahakkuklar, kesintiler, stopajlar, zorunlu ikrazlar ve stopajlar, ne tür ve ne şekilde olursa olsun benzeri vergi, stopaj ve kesintiler, bunların faizleri ve cezaları ile bu türde yapacağı tüm ödemelerini; (Vergi ve Vergilendirme terimleri İşbu Vergi tanımına göre yorumlanacaktır.) ifade eder.

**1.02 Yorum Kuralları:** İşbu Sözleşmede, aksine bir hüküm bulunmadıkça;

**(a)** Kredi Alan ile ilgili her türlü atıf, ilgili olduğu yerlerde, Kredi Alanın haleflerini veya temlik ettiği kişileri de kapsar.

**(b)** Madde veya eklere yapılan atıflar, İşbu Sözleşme maddelerine ve eklerine yapılmış sayılır.

**(c)** Herhangi bir sözleşme, senet veya benzeri belgelere yapılacak atıflar (İşbu Sözleşme ve ekleri dahil) zaman zaman bunları değiştiren, tadil eden, ilaveler yapan, tekrar düzenleyen veya yenileyen sözleşme, senet veya benzeri belgelere yapılmış kabul edilir.

**(d)** Herhangi bir kanun, kural, nizamname veya hukuki belgeye yapılan atıflar, zaman zaman bunları tadil eden, değiştiren veya tekrar yürürlüğe sokan veya bunların yerine geçen kanunları da kapsar.

**(e)** Günün belli saatlerine yapılan atıflar, Türkiye Cumhuriyeti resmi saati uygulanarak belirlenir.

**(f)** Herhangi bir terimin tekil kullanımı çoğulunu veya çoğul kullanımı da tekilini içerir şekilde anlaşılır.

**(g)** Muhasebe terimleri, Onaylanmış Muhasebe İlkeleri'ne göre yorumlanır.

**(h)** TBHS'de geçen terimler aksi İşbu Sözleşmede belirtilmediği sürece TBHS'de tanımlanan anlamları haizdir.

**Risk Group means;** the risk group defined in Article 49 of the Banking Law No. 5411.

**Encumbrance means;** any mortgage, pledge, lien, encumbrance (fixed or floating), right of set-off, title retention, collateral assignment or other similar transactions arising out of any contract or other source, regardless of how created, including but not limited to the sale and repo agreements, that would have an effect on the establishment of collaterals to be obtained under the relevant loan.

**Liquidation means;** the termination and/or bankruptcy of a person and/or its commercial operation and/or being subjected to a similar action before the judicial authorities where such person was incorporated, registered, established or its commercial activities are based or carried out.

**MBSA means;** the current Main Banking Services Agreement made by and between the Bank and the Borrower as a framework agreement on provision of the services specified in ssid agreement by the Bank;

**CBRT means;** The Central Bank of the Republic of Turkey;

**TL means;** the official currency of the Republic of Turkey;

**Taxes means;** all types of immediate and future accruals, deductions, withholdings, compulsory advances and stoppages to be paid by the relevant person, including the Resource Utilization Support Fund, Banking and Insurance Transactions Tax, income tax, and other similar taxes, withholdings and deductions, whatever their substance or form is, and their interests and penalty charges and all other payments to be made by that person as such; (The terms "Tax" and "Taxation" shall be interpreted according to this Tax definition herein).

**1.02 Interpretation Rules:** In this Agreement; unless there is a contrary provision;

**(a)** Any reference to the Borrower shall also include the Borrower's successors or assignees if relevant.

**(b)** References to the clauses or schedules shall be deemed to be made to the clauses or schedules of this Agreement.

**(c)** References to any agreement, deed or other similar documents (including this Agreement and its Schedules) shall be deemed to be made to that agreement, document or similar instruments as amended, supplemented, substituted, rearranged or novated from time to time.

**(d)** References to any law, rule, regulation or legal documents shall also include such laws that may amend, modify or re-enact or replace them from time to time.

**(e)** References to specified time of day shall be defined by considering the official hours of the Republic of Turkey.

**(f)** Words in the singular form shall be construed to include the plural and words in the plural shall be construed to include the singular.

**(g)** Accounting terms shall be interpreted according to the Accepted Accounting Principles.

**(h)** Words referred to in the MBSA, unless otherwise stated to the contrary in this Agreement, shall have the meanings defined in the MBSA.

## MADDE II MİKTAR VE KREDİ KOŞULLARI

### 2.01 Kredi Kullanım Talebi:

Kredi Alan, işbu Sözleşme çerçevesinde kredi kullanmak istediği takdirde, bu yöndeki yazılı talebini ("Kredi Kullanım Talebi") asgari 3 (üç) İş Günü önce, kullanmayı talep ettiği gün ve miktarı da belirtmek suretiyle, Bankanın ilgili şubesine iletir.

Bu kapsamda Kredi Alanın cari hesap şeklinde İşleyen bir kredi veya vadeli bir kredi talep etmesi halinde Tarafları işbu Sözleşmede belirlenen koşul ve hükümler dairesinde, İmza Tarihinden itibaren Sözleşme Süresi boyunca geçerli olmak üzere, azami toplam tutarı Bankanın kredi tahsis etmeye yetkili organı tarafından belirlenecek tutarda bir kredi kullanırma amacıyla, ilgili Ek Sözleşmeyi akdederek.

**2.02 Kredi Kullanımı:** Kredi Alanın Kredi Kullanım Talebini müteakip, 3. maddede yer alan ön şartların tam ve eksiksiz yerine getirilmesi kaydıyla ve Bankanın kredi tahsis etmeye yetkili organlarının söz konusu Kredi Kullanım Talebini uygun görmesi halinde, Kredi Alanın kullanımına tahsis edilen kredi tutarı, Kredi Alanın Bankanın ilgili şubesi nezdindeki ilgili hesabına, Kredi Kullanım Talebinde belirtilen İş Gününde Ve mesai saatleri içinde kredilendirme suretiyle yatırılır.

Kredi, Tarafların mutabakatıyla Kredi Limiti dahilinde kalmak şartıyla ve bu hususta ilgili mevzuatın izin verdiği ölçüde, farklı para biriminde kullanılabilir.

**2.03 Kredi Limiti:** İşbu Sözleşme kapsamında, Kredi Alana kullanılacak ilgili kredinin tutarı ("Kredi Limiti"), Taraflarca akdedilen ilgili Ek Sözleşmede belirlenir. Bu kapsamda, Kredi Alana Banka tarafından kullanılan toplam Kredi Limiti hesaplanırken Kredi Alanın Banka ile akdetmiş olduğu tüm Ek Sözleşmeler dikkate alınır.

### 2.04 Kredi Limitinin Değiştirilmesi:

İşbu Sözleşme ve sair Finansman Belgeleri akdedilmiş ve/veya teminatlar tesis edilmiş olsa bile Banka, Kredi Alan ve Risk Grubuna kullanılan toplam kredinin mevzuatta öngörülen sınırlamaları aşması. Kredi Alanın mali durumunun Potansiyel Temerrüt yaratacak şekilde değişmesi, Kredi Limitinin tahsisi için Banka tarafından talep edilen mevcut teminatların değer kaybetmesi veya herhangi bir surette teminatsız kalınması üzerine ek teminat talebinin Kredi Alan tarafından yerine getirilmemesi dahil herhangi bir haklı sebebin varlığı halinde, herhangi bir bildirimde bulunmaksızın ilgili cari hesap şeklinde İşleyen kredi için tahsis edilmiş Kredi Limitini tamamen veya kısmen kullanılmamaya, azaltmaya, dondurmaya veya İptal etmeye yetkili olup, böyle bir durumun gerçekleşmesi halinde, bu hususu derhal Kredi Alana bildirir.

Kredi Alanın talep etmesi ve Bankanın kredi tahsis etmeye yetkili organları tarafından uygun bulunması halinde Kredi Alanın mevcut Kredi Limiti, ilgili Ek Sözleşmenin imzalanması suretiyle artırılabilir.

## ARTICLE II CREDIT AMOUNT AND CONDITIONS

### 2.01 Credit Utilization Request:

The Borrower, if wishes to utilize a credit facility pursuant to this Agreement, shall submit its request in writing thereof (the "Credit Utilization Request") at least 3 (three) Business Days in advance to the relevant branch of the Bank by also indicating the amount and the date it wishes to borrow.

In this context, if the Borrower wishes to utilize a term loan or an overdraft facility; the Parties, in accordance with the terms and conditions stipulated in this Agreement, shall execute the relevant Supplementary Agreement, as to be valid from the Signature Date to the Term of the Agreement for the utilization of a credit at an amount of which its maximum total amount is to be determined by the Bank's authorized body to allocate credit.

**2.02 Credit Disbursement:** Following the Credit Utilization Request of the Borrower, provided that all preconditions defined in Article 3 are fully met and such Credit Utilization Request is deemed appropriate by the Bank's authorized bodies to allocate credit; the credit amount allocated for the usage of the Borrower shall be deposited, through credit facility, to the Borrower's relevant account in the relevant branch of the Bank on the Business Day designated in the Credit Utilization Request within the working hours.

The credit, upon the mutual agreement of the Parties, may also be disbursed in a different currency to the extent permitted by the relevant legislation, as long as it stays within the Credit Limit.

**2.03 Credit Limit:** The relevant credit amount to be granted to the Borrower under this Agreement (the "Credit Limit") shall be determined in the relevant Supplementary Agreement executed by the Parties, in this context, all Supplementary Agreements executed by the Borrower with the Bank shall be taken into account in calculating total Credit Limit disbursed by the Bank to the Borrower.

### 2.04 Changing Credit Limit:

Even if this Agreement and other Financing Documents were executed and/or collaterals were established; in case of the presence of a good cause, including; total credit amount disbursed to the Borrower and Risk Group exceeds the limits set forth in the legislation, the financial position of the Borrower changes in a manner to lead a Potential Event of Default, the current value of the collateral requested by the Bank for the allocation of Credit Limit is depredated or the loan becomes undersecured and .the Borrower fails to fulfill additional collateral request; the Bank shall be entitled to not to disburse or to reduce, suspend or cancel the relevant Credit Limit extended for an overdraft facility granted to the current account, either in whole or in part, without any notice, and, shall immediately inform the Borrower in respect thereof upon the occurrence of such a situation.

The Credit Limit of the Borrower may be increased, upon request of the Borrower and subject to the approval of the Bank's authorized bodies to allocate credit, by signing the relevant Supplementary Agreement

## **2.05 Faiz:**

Aksi açık olarak belirtilmediği sürece, işbu Sözleşme çerçevesinde Kredi Alana kullandırılan krediler 1 (bir) yıl - 360 gün hesabıyla, Kredi Alanın fiilen kredilendirildiği günler üzerinden hesap edilecek şekilde faizlendirilir. Faiz belirlenirken gün hesabında, ilgili kredinin Kredi Alanın hesabına geçtiği gün ve ödeme günleri nazarı dikkate alınır.

Her bir cari hesap şeklinde işleyen kredi için uygulanacak kredi faiz oranı söz konusu kredinin fiilen kullanıldığı tarihte Banka tarafından fiilen uygulanan cart kredi faizi oranıdır.

Her bir vadeli kredi için uygulanacak kredi faiz oranı ise esas olarak ilgili kredi için akdedilen Ek Sözleşmede belirlenir. İlgili Ek Sözleşme ile herhangi bir faiz oranı tespit edilmediği takdirde, söz konusu vadeli kredinin feizi, fiilen kullanıldığı tarihte Banka tarafından vadeli kredilere uygulanan en yüksek cari kredi faizi oranı olacaktır.

Bu Sözleşme tahtında tahsis edilen kredilere ve hesaplara, ilgili mevzuata uygun olarak bileşik faiz yürütülür. Faizler, aksi kararlaştırılmıř olmadıkça gider vergisi de dahil her türlü Vergi, komisyon ve fonu ile birlikte, her yıl 31 Mart, 30 Haziran, 30 Eylül, 31 Aralık tarihlerinde tahakkuk ettirilerek, diğer masraflarla birlikte nakden tahsil edilir ya da Bankanın uygun görmesi halinde Kredi Alanın hesabına borç olarak kaydedilir, Kredi Alanın kredinin kullanılması ile ilgili hesabının belirtilen dönemler arasında açılması halinde, föz, gider vergisi, fon vs. tahakkuku ilk devre sonunda yapılarak bilahare yukarıdaki esaslar dahilinde sürdürülür.

## **2.06 Komisyon ve Ücretler:**

Kredi Alan, ticari senetler, hisse senetleri ve tahvillerin üzerinde yazılı değerleri ile diğer teminatların ekspertiz değerleri üzerinden veya ilgili mevzuata uygun şekilde hesaplanacak her türlü komisyonlar ve gider vergileri dahil sair Vergiyi, işbu Sözleşme ve ilgili kredilerin teminatı olarak tesis edilecek her türlü teminatla ilgili işlemlerin gerektirdiği her türlü masrafları, ekspertiz ücretlerini, mevcut ve ileride konulacak her ne nam altında olursa olsun her türlü Vergi, resim, harç ile herhangi bir yaptırım uygulanması halinde bunlara ilişkin cezaları nakden veya hesaben öder. Banka, işbu Sözleşme gereğince açılacak kredi hesapları ile birlikte diğer her türlü hesaplarda, yetkili merciler tarafından tespit olunan veya sonradan değiştirilecek azami hadleri geçmemek kaydıyla, Kredi Alana İlan veya ihbar ederek tayin edeceği oranlarda yahut faiz hadlerinin serbest bırakılması halinde Bankanın tespit ettiği ve edeceği faiz, komisyon, gider vergisi ve faiz farkı iade fonu kesintisi uygular.

Masraflar, giderler ve Vergiler ya da benzeri kalemler ile ilgili yapılacak ödemeler tahakkuk ettikleri para birimi üzerinden yapılacaktır.

Kredi Alan, herhangi bir kredi için Banka ile akdedeceği ekte belirlenen Kredi Limitini kullanım süresi içinde kısmen veya tamamen kullanmaması halinde, Bankanın bu durum nedeniyle oluşan zararlarını karşılamak amacıyla Banka tarafından kendisine bildirilecek tutarda bir komisyonu Bankaya öder. Kredi Alan, işbu Sözleşme ile ödemeyi taahhüt ettiği gider vergisini Bankanın vergi dairesine yatırmadan talep ve tahsile hakkı olduğunu, temerrüt oluşması halinde temerrüt sebebiyle kendi aleyhine takip ve dava açılması halinde de gider vergisini ilgili vergi dairesine ödemediği takdirde ve davada Bankanın kendisinden talep edebileceğini kabul eder.

## **2.05 Interest:**

Unless explicitly stated otherwise; credits utilized by the Borrower under this Agreement shall accrue interest on the basis of 1 (one) year of 360 days, by computing over the actual number of days the Borrower is credited. In determining the number of days for computing interest, the date such credit is deposited to the Borrower's account and the days of payment shall be counted.

The credit interest rate to be applied for each current account overdraft facility shall be the current interest rate actually applied by the Bank on the date such credit was actually utilized.

The credit interest rate to be applied for each term loan shall be determined basically in the Supplementary Agreement executed for the relevant facility. In case the Supplementary Agreement does not specify any interest rate, then the interest rate of such term credit shall be the highest current interest rate applied by the Bank to the term credits on the date such credit was actually utilized.

Credits and accounts allocated under this Agreement shall accrue interest on a compound basis in accordance with the relevant legislation. The interest amounts, unless decided otherwise, shall be accrued on 31 March, 30 June, 30 September and 31 December together with all taxes. Including the excise tax, commissions and funds and shall be collected in cash with other costs, or shall be debit to the Borrower's account if deemed appropriate by the Bank. If the Borrower's account related to the credit utilization is opened between the specified periods, then the interest, excise tax, fund, etc. shall be accrued at the end of the first period and processed in accordance with the aforesaid principles afterwards. -

## **2.06 Commissions and Fees:**

All commissions and miscellaneous taxes, including the excise tax, to be calculated over the values written on the commercial papers, equity stocks and bonds and the appraisal values of other collaterals or in accordance with the legislation; all costs, appraisal fees to be incurred in relation to any collateral that must be established as the security of this Agreement and other related loans, and all type of taxes, dues, charges that are immediate or will be levied in future, and in case of any sanctions, all penalties arising in respect thereof, shall be paid by the Borrower either in cash or on account. An interest, commission, excise tax and interest rate difference refund withholding shall be applied by the Bank on the credit accounts and also on all other accounts to be opened pursuant to this Agreement at the rates to be specified by the Bank and announced or notified to the Borrower provided that these rates shall not exceed the maximum rates determined or to be revised thereafter by the authorized bodies, or if the interest rates are allowed to be set free, at the rates determined and will be determined by the Bank.

Payments in connection with the costs, expenses and taxes or other similar items shall be made in the currency they were accrued. Should the Credit Limit determined in the supplementary agreement to be executed with the Bank for any credit facility fail to be utilized by the Borrower either in whole or in part within its utilization period; the Borrower shall pay the Bank a commission at an amount to be informed to itself by the Bank to compensate any losses the Bank might incur in respect thereof.

Banka, faiz ve komisyon oranını, Kredi Alana ihbar veya Bankanın internet sitesinde, şubelerinde ilan ederek

mevzuatın izin verdiği en yüksek orana çıkarmaya yetkilidir.

Kredi Alan, Banka tarafından kendisine tebliğ edilecek hesap özetlerine, bunları aldığı tarihten itibaren 1 (bir) ay içinde noter aracılığı ile itiraz etmediği takdirde, bu hesap özetlerin muhtevasını kabul etmiş sayılır.

#### **2.07 Geri Ödeme:**

Kredi Alan, işbu Sözleşme ile kullandığı her bir vadeli krediyi söz konusu kredi için akdedilen Ek Sözleşmede belirtilen vadelerde ödemeyi kabul eder. Ödemeler, Ek Sözleşmede aksi belirtilmedikçe belirlenen tarihlerde, mesai saati içinde ve kredinin kullanıldığı para birimi üzerinden nakden yapılacaktır. Kredi Alan tarafından, Kredinin kullanıldığı para biriminden farklı bir para birimi üzerinden geri ödemesinin talep edilmesi durumunda Banka, geri ödeme tarihinde Bankanın ilgili döviz alış kurunu ve işlem gerektirdiği takdirde döviz satış kurunu dikkate alarak para dönüşümünü yapar. Kredi Alan tarafından yapılacak ödemeler (anapara, faiz, masraflar veya diğerleri) herhangi bir mahsup yapılmadan ve hiç bir şarta tabi olmadan gerçekleştirilecektir. Yapılan geri ödemeler, Bankanın kabulü halinde yeniden kredi olarak kullanılabilir.

Kredi Alan, İşbu Sözleşme ile kullandığı cari hesap şeklinde işleyen kredileri ise, ilgili kredinin vadesini geçmemesi koşuluyla Bankanın geri ödeme talebinin kendisine ulaşmasını izleyen 1 (bir) gün içinde nakden ve tamamen geri öder. Cari hesap şeklinde işleyen kredi olarak kullanılan gayri nakdi krediler karşılığı nakit tutarların da asgari yine ilgili kredinin vadesini geçmemesi koşuluyla aynı süre içinde Bankaya teminat olarak teslimi şarttır.

Kredi Alan, ilgili krediyi işbu madde çerçevesinde belirlenecek son geri ödeme tarihinde tüm ferileri ile birlikte tamamen geri ödeyecektir. İlgili kredi için tespit edilmiş olan son ödeme tarihi bir işgünü değil ise, bu tarih bir sonraki işgünü olarak, eğer bir sonraki işgünü başka bir takvim ayına sarkıyor ise bir önceki işgünü olarak kabul edilir.

Kredi Alan, Bankayı yukarıda belirtilen kredilerin geri ödemelerinin yapılması için kendisine ait hesapları kullanmak konusunda yetkilendirir. Bu çerçevede Banka mümkünse önceden ve her halükarda işlemin gerçekleştirilmesini müteakip derhal Kredi Alana bildirimde bulunmak kaydıyla, Kredi Alan tarafından zamanında yapılmayan ödemeleri gerçekleştirmek maksadıyla Kredi Alanın vadesiz hesaplarındaki paraları mahsup etmek, vadeli hesaplarını vadesiz duruma getirmek, her ne şekilde ve surette elinde bulunduğu önem taşımaksızın Kredi Alana ait menkul kıymet, kambiyo senedi ve tahvilat ile kıymetli madenleri satmak, bunların nakde tahvil olan bedellerini ve Kredi Alanın sair nakdini alacaklarını tahsil etmek maksadıyla hapis, takas ve mahsup edebilmek hakkını haiz olacaktır. Yine bu çerçevede olmak üzere Kredi Alan, işbu Sözleşme gereğince verilen veya verilecek olan her türlü teminatların, hak ve alacakların, mevduat hesapları, bloke hesapları, nakit, esham, tahviller ile emanet veya serbest depo suretiyle verilen emtia ve emtiayı temsil eden belgeler, konşimentolar, tahsile verilen senetler, çekler ve sair tüm kıymetli evrak üzerinde Bankanın en geniş şekilde ve ayrıca ihbar gereksizsin takas ve hapis hakkı ile

The Borrower accepts that the Bank shall be entitled to demand and collect the excise tax that the Borrower undertakes to pay under this Agreement without paying it to the tax office; and, in case of any default, if a proceeding and a lawsuit are initiated against the Borrower due to such default, the Bank may also request the excise tax from the Borrower during the proceeding and lawsuit without paying it to the relevant tax office.

The Bank shall be entitled to increase its interest and commission rates to the highest level to the extent permitted by the legislation by informing the Borrower or announcing on the internet page and at the branches of the Bank.

The Borrower shall be deemed to have accepted the entire content of the account statements to be served to itself by the Bank unless no objection has been raised through a notary by the Borrower against these account statements within 1 (one) month after the date of receipt of these statements.

#### **2.07 Repayment:**

The Borrower accepts to pay each term loan that it has utilized under this Agreement on the due dates designated in the Supplementary Agreement executed for such loan. The payments, unless otherwise stated in the Supplementary Agreement, shall be made in cash on the designated dates, within the work hours and in the currency of the loan. If the Borrower wishes to make the payment in a currency different than the currency of the loan, the Bank makes the currency conversion on the repayment date by taking the Bank's relevant foreign exchange buying rate, and, if the transaction necessitates, the foreign exchange selling rate, into consideration. The payments to be made by the Borrower (principal amount, interests, costs and others) shall be without being subject to any condition and offset amounts subject to the early payments can be re-borrowed upon approval of the Bank.

The Borrower shall pay the current account overdraft facilities it has utilized under this Agreement in cash and in full within 1 (one) day after the date of receipt of the Bank's request for repayment on condition that it shall not exceed the due date of such facility. The cash amounts corresponding to the non-cash loans granted as a current account overdraft facility are also required to be provided to the Bank as collateral at least within the same time period again on condition that it shall not exceed the due date of such facility. \*

The Borrower shall repay such loan in full on the last payment date to be determined pursuant to this clause together with all accessory obligations thereof. If the last payment date determined for such loan falls on a non-Business Day, this date shall be deemed to be the next Business Day, and if the next Business Day falls on another calendar month, it shall be deemed to be the previous Business Day. The Borrower shall authorize the Bank to make use of its own accounts to affect the repayments of the aforesaid loans. In this context, the Bank, to collect the payments that are failed to be made by the Borrower on time, is entitled to offset the funds in the deposit accounts of the Borrower, to convert its time deposit accounts to deposit accounts, to sell the securities,

borçlu cari hesaptan alacaklı cari hesaba da dahil olmak üzere her türlü vırman yetkisi olduğunu; sayılanlarla sınırlı olmamak üzere Banka yedindeki tüm kendisine ait mal varlığının mevcut ve ileride doğabilecek Banka alacaklarına karşı teminat teşkil ettiğini ve bu sebeple de rehinli olduğunu kabul eder. Bunlardan senet tahsili, ortaklık paylarının temettü veya bedellerinin alınması, tahvillerin itfosi, kuponların tahsili, rehinlerin paraya çevrilmesi, sigorta tazminatı, kamulaştırma bedeli alınması şeklinde veya her ne şekilde olursa olsun elde edilecek bedeller ile rehinli hisse senedi ve tahvillerin yerini alan yeni senet ve tahviller üzerinde de Banka yukarıdaki hak ve yetkilere sahip olacak ve Bankanın rehin ve hapis hakkı devam edecektir. Kredi Alan, ayrıca lehine gelmiş olan havalelerin kendisine ihbarda bulunmadan önce Banka tarafından kabul ve hesabına alacak kaydedilmesini; havale tutarı üzerinde Bankanın rehin hakkının ve mahsup yetkisinin bulunduğunu da kabul eder.

Yukarıdaki paragrafta sayılan işlemlerin yapılması, İlgili hesapların bakiyelerinin aynı para cinsinden olup olmamasıyla alakalı değildir ve bu işlem için kendisine burada bu yetki tanınmış olan Banka o tarihte geçerli olan ve uyguladığı kurlarla gerekli efektif ve döviz hareketlerini ve para dönüşümlerini yapmaya yetkili kılınmıştır.

#### **2.08 Erken Geri Ödeme:**

Kredi Alan tarafından kullanılan Krediler, ilgili kredi için akdedilen Ek Sözleşme ile belirlenen özel erken geri ödeme şartları varsa bunlara aykırı olmamak kaydıyla, Bankaya asgarî 10 (on) gün önceden, herhangi bir tereddüde mahal vermeyecek şekilde yazılı olarak bildirimde bulunmak ve ilgi ekte belirtilen erken geri ödeme komisyonunu ödemek kaydıyla, erken geri ödenebilir.

Aksi Banka tarafından açık olarak kabul edilmedikçe, erken geri ödeme yapılacak tutar, ödeme gününe kadar tahakkuk etmiş olan faiz, komisyon, vergi, fon, harç, masraf ve sair tutarlar ile birlikte ödenmelidir.

**2.09 Ödemelerin Sırası ve Dağılımı:** Kredi Alanın yükümlükleri ile bağlantılı olarak İşbu Sözleşme, ekleri ve diğer Finansman Belgeleri çerçevesinde ödenen veya alınan meblağlar, vadesi gelen meblağlardan daha az ise, Banka söz konusu meblağı İlk önce ödenmemiş herhangi bir Vergi, resim, harcın tazmini için; ikinci olarak Bankanın ödenmemiş giderlerinin tazmini için; üçüncü olarak ödenmemiş faiz için; dördüncü olarak ödenmemiş anapara için; beşinci olarak Finansman Belgeleri çerçevesindeki diğer meblağlar için kullanılacak ve ödemeler bu sıra dahilindeki borçların ifâsı için yapılması sayılacaktır.

Kredi Alan Faiz ve giderleri vadesinde Ödemede gecikmemiş ise, kısmen yaptığı ödemelerin sırası ve dağılımında 6098 sayılı Borçlar Kanunu'nun ilgili maddeleri dikkate alınır.

**2.10 Kredilerin Kullanım Amacı:** İşbu Sözleşme çerçevesinde Kredi Alana kullanılacak krediler İlgili Ek Sözleşmede belirlenen amaçlar çerçevesinde kullanılacaktır. İlgili Ek Sözleşmede bu hususta bir hüküm olmaması halinde kullanılacak kredinin Kredi Alanın işletme finansman ihtiyacı için, kullanıldığını kabul edilecektir.

bills of exchange, bonds and precious metals owned by the Borrower regardless of their form and manner, and has the right of retention, setoff and exchange such amounts converted into cash and other cash of the Borrower for the purpose of collecting its receivables in respect thereof, by informing the Borrower, if possible, in advance but in any event immediately after completion of the transaction. Again in this context; the Borrower accepts that the Bank has the right of retention and setoff in the widest sense and without need of further notice on all type of collaterals, rights and receivables, deposit accounts, blocked accounts, cash, stocks, bonds, commodity and documents representing commodity given for safekeeping or as free deposit bills of lading, bills sent to collection, cheques and all other commercial papers; and shall also have the right to make all types of virement, also including the transfers from the current overdraft account to the current receivable account; but not limited to the foregoing; all the assets of the Borrower holding by the Bank shall constitute security for the current and future receivables of the Bank and pledged in respect thereof. The Bank shall also have the aforementioned rights and powers on the proceeds to be received from the collection of bills, the receipt of dividends or consideration of the partnership shares, redemption of bonds, collection of coupons, converting pledges to cash, insurance reimbursement, and expropriation compensation, or by any means, and the Bank's rights of retention and pledge shall remain accordingly. In addition, the Borrower also accepts that, the remittances sent to its favor can be accepted and credited to its account by the Bank without any notice; and the Bank shall have the rights of pledge and retention on the remittance amount.

Conducting the foregoing transactions shall be irrespective of whether the balances of the relevant accounts are at the same currency or not; and the Bank empowered hereunder to conduct this transaction shall be authorized to perform the necessary effective and foreign currency movements and currency conversions by using the exchange rates it applies on the date of the transaction.

#### **2.08 Early Repayment:**

Credits used by the Borrower can be paid early by giving at least 10 (ten) days' advance notice to the Bank in writing without causing any uncertainty and by paying the early payment commission set out in the relevant schedule provided that it shall not contradict with the specific early payment conditions, if any, that are specified in the Supplementary Agreement executed for the relevant credit facility. Unless the contrary is explicitly agreed upon by the Bank, the early payment amount must be paid together with all interest, commission, taxes, funds, dues, charges and other amounts that have been accrued until the payment date.

**2.09 Order and Allocation of Payments:** In connection with the obligations of the Borrower; if the amounts paid or borrowed under this Agreement, its schedules and other Financing Documents are less than the amounts due, the Bank shall use such amounts first for the collection of unpaid Taxes, dues and charges; secondly for the collection of unpaid expenses or the Bank; thirdly for the

Kredi Alan tarafından kullanılan kredi, söz konusu krediye ilişkin ekte açık olarak belirtilmiş olmadıkça hiç bir şekilde (t) türev işlemlerin finansmanı için ve/veya (il) mevcut kredilerin tasfiyesi maksadıyla kullanılamaz,

**2.11 Döviz Cinsinden Kullanılan Kredilere İlişkin Hükümler:**

Kredi Alan, gerek Türk Parası Kıymetini Koruma Kanunu, gerekse dış ve iç işlemler ile ilgili hususları düzenleyen ve/veya düzenlenecek olan her türlü yasa, kararname, yönetmelik, tebliğ, mevzuat ve sair hükümleri uyarınca, yerine getirmesi gerekli biçimle yükümlülüğünü, Bankanın hiçbir ihtar ve/veya uyarısına gerek kalmadan yerine getirir ve bunlara uyumamasından doğan her türlü sorumluluk kendisine aittir.

Banka, tahsis ettiği ihracat ve diğer krediler nedeniyle TCMB'ye reeskont için müracaat edilmesini gerekli gördüğünde, Kredi Alan derhal reeskont için gerekli belgeleri ve reeskont bonolarını Bankanın ilk talebinde temin eder.

İşbu Sözleşme ile açılan kredinin tamamı veya bir kısmı şimdi veya ileride veya muamelenin kısmen herhangi bir safhasında veya bölümünde, dövizle ilgili bir muamele içinde kullanıldığı takdirde (ithalat, ihracat, teminat mektupları, havale, döviz mevduatı, döviz karşılığı krediler, efektif, çek kabul kredisi vs. gibi her nevi kambiyo ve döviz muameleleri) İşbu Sözleşmenin diğer bölümlerindeki özel hükümlerinden ek olarak Kredi Alan; (i) Bankanın ayrı bir bildirimini beklemeden, Türk ve yabancı memleket kambiyo mevzuatının mevcut veya ileride yürürlüğe girecek şartlarına, bu konuda ilgili mercilerden alınacak talimatlara uymayı ve gereklerini derhal yerine getirmeyi, bunu yapamadığı takdirde kendisini temsilen Bankanın, muameleyi her safhasında dilediği şekilde iptal etmeye veya değiştirmeye hakkı bulunduğunu, (ii) Türkiye ve yabancı memleketlerde tahakkuk edecek bütün komisyonları, masrafları, tazminatları, faizleri, vergileri, kur farklarını vs. ödemeyi veya dövizlerin transferlerinin yapılmaması dolayısıyla ilgililerin talep edecekleri masrafları, bizzat Bankanın kendi masraflarını, Bankanın veya muhabirlerinin arbitraj masraf ve farklarını ödemeyi kabul eder.

unpaid Interest amount; fourthly for the unpaid principal amount; fifthly for the other balances arising out of the Financing Documents; and the payments shall be deemed to have been made for the amortization of debt as per this order.

If the Borrower has not delayed the payment of interest and expenses by their due dates; the relevant articles of the Turkish Code of Obligations No. 6098 shall be taken into account for the order and allocation of the partial payments made by the Borrower.

**2.10 Utilization Purposes of Loans:** Loans to be made available to the Borrower within the scope of this Agreement shall be used solely for the purpose as specified in the relevant Supplementary Agreement. In case of absence of a provision in the relevant Supplementary Agreement in respect thereof, the loan to be made available shall be deemed to be used for the working capital needs of the Borrower.

Loan utilized by the Borrower, unless otherwise is explicitly stated in the schedule of such loan, shall be in no manner used for (i) the financing of derivative transactions, and/or (ii) the liquidation of existing loans.

**2.11 Provisions Regarding Loans Utilized in Foreign Currency:**

The Borrower shall fulfill all its obligations that it is obliged to fulfill pursuant to both the Law Regarding the Protection of the Value of Turkish Currency and all of the laws, decrees, regulations, communiques, legislation and other provisions that stipulate and/or will stipulate the matters related to external and internal processes, without requiring any further notice and/or warning of the Bank; and all liability arising from the failure to fulfill these obligations shall belong to the Borrower. Whenever the Bank deems it necessary to make an application to the Central Bank of the Republic of Turkey for the rediscount in connection with the export and other loans it has extended, the Borrower shall immediately provide the rediscount bonds and the required documents for the rediscount upon the first request of the Bank.

If the full amount or a portion of the credit made available through this Agreement is used for any foreign currency related transaction (all types of foreign currency and exchange transactions such as imports, exports, letters of guarantee, remittance, foreign currency deposit account, foreign currency loans, cash, draft acceptance credit, etc.) at present or in future or at any stage or part of the transaction to a certain extent; the Borrower accepts that; in addition to the special provisions of the other sections of this Agreement, (i) it shall comply with the current or future provisions of the foreign exchange legislations of Turkey and foreign countries and the directives to be received from the relevant authorities and fulfill the requirements in respect thereof immediately without waiting for the Bank's further notice; and if it fails in performing this, the Bank, on behalf of the Borrower, shall be entitled to cancel or change the transaction at any stage (ii) it shall pay all commissions, costs, indemnities, interests, taxes, currency differences, etc. to be accrued both in Turkey and in foreign countries, or the expenses to be charged by those concerned, the Bank's own costs, and the arbitrage cost and differences of the Bank or its correspondents due to the failure to conduct the foreign currency transfers.

### MADDE III ÖN ŞARTLAR

**3.01 Temel Ön Şart:** İşbu Sözleşme kapsamında kullanılacak kredinin temel ön şartı, Bankanın kredi tahsis etmeye yetkili organı tarafından ilgili mevzuat dairesinde, ilgili kredinin Kredi Alan tarafından kullanılmasının kabul edilmesidir.

**3.02 Kredi Ön Şartları:** Kredi Alan, 3.01 maddesine ve (varsa) ilgili Ek Sözleşmede belirtilen ek olarak, herhangi bir kredinin kullanımının ön şartı olarak aşağıda belirtilen şartları sağlayacak ve bu şartların sağlandığını belgeleyen evrakları Bankayı tatmin edecek şekil ve içerikte Bankaya temin edecektir. Aksi halde Banka ilgili krediyi kullanılmakla yükümlü olmayacaktır.

(a) İlgili kredinin teminatını oluşturacak tüm teminatlar ile güvencelerin herhangi bir tereddüde mahal vermeyecek ve Bankayı tatmin eder şekilde tam ve eksiksiz olarak tesis edilmesi ve bu kapsamda ilgili sözleşme ve sair dokümantasyonun Bankaya temin edilmesi;

(b) Kredi Alanın tüzel kişi olması durumunda, bu kredinin kullanılmasını maksadıyla yetkili organlarının aldığı kararların Noter tasdikli suretlerinin Bankaya temin edilmesi;

(c) Kredi Alanın kredi kullanımı ile yetkilendirdiği kişilerin bu yetkilerini ve örnek imzalarını gösterir imza sirküleri ve gerekiyorsa imza beyannamelerinin Noter tasdikli suretlerinin Bankaya temin edilmesi;

(d) Yukarıda sayılan bentlere ek olarak, ilgili kredinin her bir kullanımı için aşağıda sayılan hususların Bankaya temin edilmesi;

(i) İlgili kredinin kullanım tarihi itibarıyla Kredi Alanın yetkili temsilcileri tarafından imzalanarak Bankaya teslim edilmiş bulunan ve aşağıda anılan hususları teyit eden bir beyanname;

-İşbu Sözleşmenin IV Maddesinde ve varsa ilgili diğer Finansman Belgelerinde yapılan Beyan ve verilen Garantilerin yapıldığı tarihe kadar kredi kullanım tarihinde de doğru ve geçerli olduğu,

-Herhangi bir Temerrüt Durumu veya Potansiyel Temerrüt Durumu olmadığı ve bu halin devam etmediği yahut bu Kredinin böyle bir duruma meydan vermeyeceği,

(ii) Bankanın kendi inisiyatifıyla belirlediği ve makul şartlar altında talep etmesi gereken tüm dokümantasyon, görüş ve onaylar:

### MADDE IV BEYANLAR VE GARANTİLER

İşbu Sözleşme ve diğer Finansman Belgeleri uyanınca Kredi Alan tarafından Bankaya verilen beyan, taahhüt ve garantiler İmza Tarihinde ve her bir kredi kullanım anında verilmiş kabul edilir ve bağlayıcılığı Sözleşme Süresi boyunca devam eder. İşbu maddede anılan tüm beyan ve garantiler kümülatiftir.

Ayrıca; (i) işbu maddede anılan mali raporlara yapılan her bir atıf, Kredi Alanın en son mevcut

### ARTICLE III CONDITIONS PRECEDENT

**3.01 Main Condition Precedent:** The main precondition of the credit to be used under this Agreement is the approval of the Borrower's authorized body to allocate credit within the scope of the relevant legislation for the usage of such credit by the Borrower..

**3.02 Conditions Precedent to the Credit:** The Borrower, in addition to those contemplated in Article 3.01 and in the relevant Supplementary Agreement (if any), shall fulfill the following conditions as the conditions precedent for the utilization of any credit and shall provide to the Bank the documents certifying the fulfillment of these conditions in form and substance satisfactory to the Bank. Otherwise the Bank shall not be liable for the utilization of such credit.

(a) Establishment of all collaterals and guarantees that would act as security of such credit in a proper and complete manner to satisfy the Bank and not to cause any uncertainty; and presentation of relevant agreements and other documentation to the Bank in respect thereof;

(b) If the Borrower is a legal entity; presentation of notarized copies of the resolutions taken by the authorized bodies of this entity for the utilization of such credit to the Bank;

(c) Presentation of notarized copies of the signature circulars and, if necessary, signature declarations attesting the powers and signature specimens of those people authorized by the Borrower for the utilization of such credit;

(d) In addition to the foregoing items; the below listed items should be presented in any disbursement of such credit;

(i) A statement signed by the authorized signatories or the Borrower and submitted to the Bank as of the date such credit is used which verifies the following issues;

-Declarations made and the Guarantees given in respect to Article IV of this Agreement and other relevant Financing Documents, if any, are also true and valid on the date of utilization,

-Neither any Event of Default or Potential Event of Default has occurred or be continuing nor the utilization of this credit would lead to such a situation

(ii) All documentation, consents and opinions that are determined by the Bank at its own discretion and should be required under the reasonable circumstances.

### ARTICLE IV REPRESENTATIONS AND WARRANTIES

All representations, warranties and undertakings given to the Bank by the Borrower pursuant to this Agreement and other Financing Documents shall be deemed to have been presented on the Signature Date and at the moment of any utilization, and they shall be binding throughout the Term of the Agreement. All representations and warranties provided hereunder shall be cumulative.

In addition; (i) any reference made in this article to the financial statements shall be deemed to have been made to the latest available financial statements

mali raporlarına yapılmış olarak kabul edilecek ve (ii) İmza Tarihinden önceki bir tarihe ilişkin olarak yapılan beyan veya verilen taahhüt ve garantiler; yapıldığı tarihte ve işbu Sözleşmeden doğan tüm krediye ilişkin Kredi Alanın borç ve yükümlülükleri devam ettiği sürece de mevcut olacaktır.

Kredi Alan, (varsa) Ek Sözleşmede yer alanlara ek olmak ve aşağıda sayılanlarla sınırlı olmamak üzere;

( a ) Hak ve fill ehliyetine haiz olduğunu tabi olduğu mevzuatın gerektirdiği tüm gereklilikleri eksiksiz yerine getirdiğini ve halen faaliyetini hiçbir kısıtlama ve sınırlama olmaksızın yürütmekte bulunduğunu, bu çerçevede kendi aktiflerine sahip olma ve faaliyette bulunduğu işleri yapma hak ve yetkisinin tam olarak mevcut olduğunu;

( b ) İşbu Sözleşme, diğer Finansman Belgeleri ve sair dokümantasyondaki tüm borç ve yükümlülüklerini icra ve ifa etme yetki ve salahiyetinin herhangi bir şekilde kısıtlanmamış olduğunu;

( c ) İşbu Sözleşme ve diğer Finansman Belgelerinin tanzimi, geçerliliği, icrası ve yürürlüğe sokulması ile ilgili olarak alınması gereken (kurumsal, resmi veya diğer) her türlü yetki, muvafakat, onay ve izinlerin eksiksiz alınmış ve yürürlükte bulunduğunu;

( d ) Borçlular hakkında Esaslı Olumsuz Etki yaratacak ve işbu Sözleşme kapsamında temerrüde götürecek bir Temerrüt Durumu veya Potansiyel Temerrüt Durumu, herhangi bir dava, tahkim prosedürü veya idari işlemin bulunmadığını; herhangi bir mahkeme, tahkim kurulu veya başka bir makamca kendisi aleyhine bu yönde bir karar verilmemiş veya hüküm alınmamış olduğunu;

( e ) Borçlular ile ilgili hiç bir Temerrüt Durumu veya Potansiyel Temerrüt Durumu meydana gelmediğini ve böyle bir durumun devam etmediğini;

( f ) Borçluların ticari faaliyetlerini veya bu faaliyetlerin bir kısmını yürütmek için gerekli olan tüm maddi aktiflerini kullanma konusunda elinde geçerli izinlerin bulunduğunu, bunları veya bunlardan faydalanma yahut kullanma hakkına sahip bulunduğunu ve ticari faaliyetlerini veya bu faaliyetlerin bir kısmını yürütmek için gerekli olan tüm imtiyazları, onayları ve yetkileri almış olduğunu, bu imtiyaz, onay ve yetkilerin halen yürürlükte bulunduğunu;

( g ) İşbu Sözleşmeyi akdettiği anda ve her bir kredi kullanım anında kendisinin tabi olduğu mevzuattaki tanımlar çerçevesinde tüm yükümlülük ve borçlarını ifa edebilecek ve/veya ödeyebilecek güce sahip olduğunu;

( h ) İmza Tarihinden önce veya Sözleşme Süresi boyunca Bankaya sunulan konsolide olan veya olmayan tüm mali beyanların ve ilgili tabloların; ( i ) Onaylanmış Muhasebe İlkelerine uygun olarak hazırlanmış ve anılan İlkelere göre içermesi gereken fiili ve arzi tüm maddi yükümlülükleri içermekte bulunduğunu, (iii) tanzim edildikleri tarih itibarıyla mali durumunu gerçek ve doğru bir şekilde yansıttığını, (iii) Bankaya veya temsilcilerine teslim edilmiş en yeni mali tablolar bulunduğunu ve düzenlenme tarihinden beri, kendisinin işlerinde veya mali durumunda, işletmelerinde veya mal varlıklarında hiçbir önemli olumsuz değişiklik veya makul şartlar altında önemli olumsuz bir değişikliğe yol açabilecek herhangi bir olay veya durum meydana gelmediğini kabul eder.

of the Borrower; and (ii) the representations made or the warranties and undertakings given on any date before the Signature Date shall be binding on the date they were made and as long as the Borrower's liabilities and obligations arising out of this Agreement for all loans shall continue.

The Borrower, in addition to those contemplated in the Supplementary Agreement (if any) and including but not limited to those listed below, warrants that;

( a ) It has the right and legal capacity and carries out its business without any limitation and restriction and in full compliance with all requirements imposed by the legislation to which it is subject; and has full power and authority to own its property and assets and to carry out its business as it is now being conducted;

( b ) Its power and authority to execute and perform all its liabilities and obligations under this Agreement, other Financing Documents and other documentation have not been restricted in any manner;

( c ) All requisite authorizations, consents, approvals and licenses (corporate, official or other) need to be obtained for the execution, validity, enforcement and enactment of this Agreement and other Financing Documents have been fully obtained and they are in force and effect;

( d ) No Event of Default or Potential Event of Default, any litigation, arbitration proceeding or an administrative procedure on the Borrowers that may lead to a Material Adverse Effect and cause any default under this Agreement shall have happened; and no decision or judgment have been made by an arbitration board or by another authority against them in this direction;

( e ) No Event of Default or Potential Event of Default in relation to the Borrowers has occurred and is continuing;

( f ) The Borrowers have valid licenses to make use of all their tangible assets required to carry out their commercial activities or a part of these activities, own these assets or the right to use or benefit from them and have obtained all requisite privileges, approvals and authorizations required to carry out their commercial activities or a part of these activities; and these privileges, approvals and authorizations are still in force and effect;

( g ) It has the capacity to perform and/or pay all its liabilities and obligations in accordance with the definitions in the legislation to which it is subject both from the moment of the execution of this Agreement and the utilization of any credit.

( h ) All consolidated and non-consolidated financial declarations and relevant tables submitted to the Bank prior to the Signature Date or during the Term of the Agreement; ( i ) have been prepared in compliance with the Accepted Accounting Principles and include all actual and incidental pecuniary obligations required to be included as per such Principles; (ii) are a true and accurate reflection of the financial position of the Borrower at the date of issue; (iii) are the most recent financial statements submitted to the Bank or its representatives, and there has been no material change or an event or situation which may lead to a material adverse change under reasonable circumstances on its own activities or financial position, its businesses or assets and properties as of the date of Issue.

## MADDE V TAAHHÜTLER

Kredi Alan, işbu Sözleşme çerçevesinde, Sözleşme Süresi ye Banka tarafından kendisine kullanılmış bulunan her cins ve nitelikteki kredinin devamı boyunca ve bu sebeple doğmuş gerek asıl alacak ve gerek ferri alacak niteliğindeki herhangi bir Banka alacağı ödenmediği sürece, aşağıdaki taahhütleri yerine getirmeyi taahhüt eder.

**5.01 Mevcudiyetini Sürdürme ve Varlıklarını Koruma:** Kredi Alan, işbu Sözleşmeyi akdettiği tarihte mevcut olan iş ve işlemlerini bu tarih itibarıyla mevcut hukuki yapısını koruyarak sürdürecektir ve bu çerçevede varlıklarını da koruyacak ve onları doğrudan azaltan yahut tüketen iş ve işlemleri icra etmekten kaçınacaktır.

**5.02 İşlerini Mevzuata Uygun Olarak İcra Etme:** Kredi Alan, faaliyetlerini icra ederken ve işlerini görürken, Kambyo, kara para aklama ve vergi mevzuatı da dahil olmak üzere tüm meri mevzuata uygun olarak hareket edecek ve tutmakla yükümlü olduğu tüm defter ve kayıtlarını ve tüm faaliyetlerini tereddüde mahal vermeyecek şekilde eksiksiz ve doğru olarak tutacaktır. Belediyelere ödenenler ile özellikle teminat verilmiş mallara ilişkin olanlar da dahil olmak üzere tahakkuk etmiş tüm Vergiler zamanında ödenmiş olacak veya ödenecektir. Teminat verilmiş malların aynını etkiler şekilde İdare ile Kredi Alan arasında devam eden veya sürüncemeye bırakılmış bir vergi uyuşmazlığı olmayacaktır.

**5.03 Raporlama Yapma:** Kredi Alan, ilgili kredi için akdedilecek ekte farklı bir düzenleme bulunmadıkça, Bankayı tatmin edecek şekil ve içerikte aşağıdaki dönemsel raporları düzenlemekle ve bu maddede belirtilen süreleri aşmamak kaydıyla Bankaya teslim etmekle yükümlüdür.

**(a) Üç aylık raporlar:** Kredi Alanın hesap dönemi içinde her 3 (üç) ayda bir bu 3 (üç) aylık dönemin bitmesini izleyen 60 (altmış) gün içinde; kullanılan kredilere ilişkin akdedilen ekte belirtildiği şekilde konsolide veya konsolide olmayan, denetlenmiş veya denetlenmemiş gerekli tüm ayrıntılara haiz ve muhasebe ilkelerine uygun olarak düzenlenmiş ara bilanço, kar zarar hesabı (bir önceki yılın aynı dönemi ile karşılaştırmalı olarak).

**(b) Yıllık raporlar:** Kredi Alanın bir hesap döneminin bitmesini izleyen 120 (yüzyirmi) gün içinde; kullanılan kredilere ilişkin akdedilen ekte belirtildiği şekilde konsolide veya konsolide olmayan, denetlenmiş veya denetlenmemiş gerekli tüm ayrıntılara haiz ve muhasebe ilkelerine uygun olarak düzenlenmiş ara bilanço, kar zarar hesabı (bir önceki yıl sonuçlarıyla karşılaştırmalı olarak)

**(c) Temerrüt olmadığına ilişkin yazı:** Her bir hesap dönemi içinde 3 (üç) ayda bir Kredi Alanın mali işlerinden sorumlu en üst yöneticisinin imzasını da içerir şekilde, bir Temerrüt Durumu veya Potansiyel Temerrüt Durumu olmadığını ve VII. maddede anılan mali taahhütlere tamamen uyulduğunu ifade eden Bankaya gönderilecek bir mektup. Bu mektubun her bir 3 (üç) aylık dönemin bitmesini izleyen 15 (onbeş) gün içinde gönderilmiş ve Bankaya tebliğ edilmiş olması gerekir.

## ARTICLE V UNDERTAKINGS

The Borrower, within the scope of this Agreement, undertakes to perform the following undertakings, throughout the Term of the Agreement and for so long as the credit in any type and substance provided to the Borrower By the Bank continues and until any Bank receivable, either in the form of primary or secondary, arising out of or by that reason, is outstanding.

**5.01 Maintenance of Existence and Protection of Assets:** The Borrower shall maintain its legal status existing as at the date of this Agreement and protect its business and activities being conducted as of this date and shall also protect its assets and properties within this scope, and shall refrain from performing any act or transaction which will deplete them directly in respect thereof,

**5.02 Performing the Works in accordance with the Legislation:** The Borrower, in performing its activities and carrying out its works, shall act in accordance with all legislation in force, also including the foreign exchange, money laundering and tax legislation, and shall keep all its books and records it must maintain and all of its activities true, complete and accurate as to demonstrate in a manner not to create any uncertainty.

All accrued Taxes, also including those paid to the municipalities ana particularly for the assets given as security, should have been paid or will be paid on time. There should be no continuing or protracted tax dispute between the Administration and the Borrower in such manner that could affect the assets given as security.

**5.03 Reporting:** The Borrower, unless there is a different arrangement in the schedule executed for such credit, shall be obliged to issue the following periodic reports in form and substance satisfactory to the Bank and to deliver them to the Bank provided that the periods stipulated in this article hereof shall not be exceeded.

**(a) Quarterly reports:** Interim balance sheet and profit and loss statements, either consolidated or unconsolidated, audited or unaudited, that issued in accordance with the accounting principles as to contain all requisite details on the form specified in the relevant schedule executed for the utilized credits, once every 3 (three) months in the accounting period of the Borrower within 60 (sixty) days after the close of each quarterly (three-month) period (in comparison with the same period of the previous year).

**(b) Annual reports:** Interim balance sheet and profit and loss statements, either consolidated or unconsolidated, audited or unaudited, that Issued in accordance with the accounting principles as to contain all requisite details in the form specified in the relevant schedule executed for the utilized credits, within 120 (one hundred twenty) days after the close of an accounting period of the Borrower (in comparison with the results of the previous year).

**(d) Denetim Raporu:** 5.03 maddesinin (b) bendinde anılan yıllık raporlarla birlikte 5.03 maddesinin (a) bendi uyarınca düzenlenmesi gereken üç aylık raporların da denetlenmesi öngörülmesi ise o raporlarla beraber, Bankanın uygun gördüğü bağımsız denetim şirketi tarafından düzenlenmiş tam denetim raporu. Bu rapor, düzenlenmesini takip eden 3 (üç) işgünü içinde ve herhalde yıllık veya varsa ilgili üç aylık raporla birlikte teslim edilmelidir.

**(e) Dava veya olağanüstü gelişme raporu:** Kredi Alan tarafından kullanılan kredilere ilişkin olarak veya Kredi Alanın mal varlığının önemli bir kısmını yahut Bankaya verilen teminatları kısmen de olsa tehdit eder şekilde bir hukuki gelişmenin meydana gelmesi halinde bu gelişme, muhtemel sonuçları, alınması düşünülen tedbirler, Bankayı tatmin edecek ayrıntıda, söz konusu gelişmenin ortaya çıkmasını izleyen 24 (yirmidört) saat içinde derhal Bankaya raporlanacaktır. Bu durumun bir Temerrüt Durumu veya Potansiyel Temerrüt Durumu oluşturup oluşturmadığına Banka münhasır takdirine göre karar verecektir.

**(f) Sair Bilgilendirmeler:** Kredi Alan, Banka tarafından makul süre önceden bildirilmiş olması kaydıyla istenen tüm bilgi ve belgeleri Bankaya teslim eder.

**5.04 Sigorta:** Kredi Alan, sigorta edilebilir malvarlığı üzerinde, mali açıdan güçlü ve itibarlı sigortacılar ile geçmiş uygulamaları ile paralel ve Banka tarafından kabul edilebilir şart ve klozlarla, tüm risklere karşı, ilk kredinin kullanımından itibaren 7 (yedi) gün içinde ve Bankaya karşı herhangi bir kredi riski devam ettiği müddetçe yıllık olarak tam-risk sigortası yaptıracaktır. Banka bu sigorta poliçelerine dain-i mürtehin lehdar olarak dahil edilecektir.

Ayrıca Banka, işbu Sözleşme esaslan dahilinde tesis edilmesi ve verilmesi gerekli tüm teminatların, Kredi Alanın merhun olan ve olmayan aktiflerinin yangına, nakliye rizikosuna ve gerekli göreceği diğer her türlü rizikolara ve olağanüstü hallerine karşı Bankanın kabul edeceği bir sigorta şirketine, Banka veya muhabiri lehine sigorta ettirilmesini; daha önce sigorta yapılmış ise buna ait poliçelerin dain-i mürtehin sıfatıyla kendisine devir edilmesini isteyebilir. Aynı şekilde, süresi biten sigortalann yenilenmesi ve sair bu çerçevedeki sigorta işlemlerinin ifası Bankaya tanınan bir yetkidir.

Banka, bu yetkinin kullanılmamasından, sigorta miktarının yetersizliğinden, sigortacının seçiminden dolayı hiçbir şekilde sorumlu tutulamaz.

Kredi Alan, yaptırılacak sigortalardan prim vs. giderlerinin borcu olduğunu, sigortacının Bankaya ödeyeceği komisyon ile sigorta sözleşmesinden doğan tazminatın Bankaya ödeneceğini; ancak, tazminat tutarına itiraz etmesi halinde kendisine verilen süre içinde tazminat tutarını Bankaya ödediği takdirde sigorta poliçesinden doğan hakların kendisine devredileceğini; aksi halde, Bankanın tazminat tutarını tahsil etmeye yetkili olduğunu kabul eder.

**(c) Letter of No Default:** A letter to be sent to the Bank once every 3 (three) months in each accounting period, as to be signed by the top executive officer responsible for the financial affairs of the Borrower, which certifies that no Event of Default or Potential Event of Default has occurred nor is continuing, and the financial undertakings contemplated in Article VII are fully complied with. This letter should have been sent within 15 (fifteen) days after the close of each three (3) month period and served to the Bank accordingly.

**(d) Audit Report:** A full audit report Issued by the independent audit company accepted by the Bank together with the annual reports referred in paragraph (b) of Article 5.03 and the quarterly reports required to be issued pursuant to paragraph (a) of Article 5.03 if their audit is also contemplated herein. This report should be submitted within 3 (three) Business Days after its issuance and in any event together with the annual report or the respective quarterly report, if any.

**(e) Litigation or Extraordinary Development Report:** In case of occurrence of a legal development of any manner with respect to the credits used by the Borrower or which may threaten a significant portion of the assets of the Borrower or even a part of the securities given to the Bank, this development shall be immediately reported to the Bank in detail satisfactory to the Bank together with its possible outcomes and the measures considered to be taken within 24 (twenty-four) hours after the occurrence of such development, Accordingly, whether this development constitutes or not constitute an Event of Default or a Potential Event of Default shall be determined by the Bank at its sole discretion.

**(f) Other Notifications:** The Borrower shall submit all requested information and documents to the Bank provided that it is informed by the Bank within a reasonable time in advance.

**5.04 Insurance:** The Borrower shall have all-risk insurance on a yearly basis on its insurable assets with financially strong and reputable insurance companies in parallel with its past practices and in conditions and clauses acceptable to the Bank against all risks within 7 (seven) days after the utilization of first credit and so long as any credit risk towards the Bank is outstanding. The Bank shall be the loss payee beneficiary in these insurance policies.

In addition, the Bank is entitled to ask all securities required to be established and given within the scope of the principles of this Agreement and the pledged and unpledged holdings of the Borrower to be insured with an insurance company acceptable to the Bank against fire, transport risk and all other risks as it deems necessary and extraordinary situations in favour of the Bank or its correspondent; and if an insurance in respect thereof has been previously made, the Bank is entitled to ask such policies to be transferred to itself in Its capacity as loss payee. In the same vein, renewal of the expired insurances and execution of other insurance transactions in this scope shall be an authority entitled to the Bank.

Kredi Alan, sigorta şirketi ile tazminat konusunda çıkacak anlaşmazlıklar nedeniyle Banka tarafından dava açıldığı takdirde, masrafların tümünün kendisine ait olduğunu ve ayrıca Banka aleyhine sonuçlanması halinde Bankadan herhangi bir talepte bulunmayacağını kabul eder.

**5.05 Çevresel Yükümlülükler Uyma:** Kredi Alan, Türkiye Cumhuriyetinde ve ilgili kredi için akdedilecek ekte belirtilmesi halinde ilgili yabancı ülkede cari mevzuat ve uluslararası mevzuat çerçevesinde yürürlükte olan (i) tüm çevresel lisans ve çevre yasa ve kurallarına uyacak, (ii) ilgili uygulamadan dolayı oluşan tüm masrafları ödeyecek veya ödetecek ve (iii) halihazırda ve daha sonra kendisine ait olan veya kendisi tarafından işletilen tüm gayrimenkul varlıklar üzerinde çevre yasa ve kuralları dolayısıyla Esaslı Olumsuz Etki yaratacak şekilde tasarruf hakkının sınırlandırılmasına yol açacak iş ve işlemlerde bulunmayacaktır.

Halihazırda ve kredilerinin devamı süresince kendisine ait olan veya kendisi tarafından kullanılan yahut bir şekilde tasarrufunda bulunan gayrimenkul varlıklar üzerinde herhangi bir tehlikeli madde üretmeyecek, kullanmayacak, işlemeyecek, depolamayacak, serbest bırakmayacak veya bu maddeleri tasfiyeye tabi tutmayacak, bu maddelerin nakledilmesini sağlamayacak ve üçüncü şahısların da bu tür davranışlarda bulunmasına müsaade etmeyecektir.

**5.06 Teminat:** Kredi Alan, Finansman Belgeleri tahtında doğmuş ve/veya doğacak anapara, faiz, temerrüt faizi, komisyon, ücret, masraf dahil bütün borç ve yükümlülüklerinin teminatı olarak, Banka tarafından uygun görülecek miktar; tutar ve nitelikte ve Banka tarafından kabul edilebilir şekil ve içerikte her türlü teminatı Banka lehine tesis etmeyi ve bu amaca uygun her türlü sözleşme ve belgeyi Bankaya temin etmeyi taahhüt eder.

Kredi Alan, yukarıdaki paragraf kapsamında, ilgili kredi için akdedilecek ekte belirlenenler dışında, ticari senetleri Bankaya rehin etmeyi taahhüt eder. Banka tahsil cirosu ile kendisinde bulunan senetlerin, sonradan teminat cirosu ile devrini istemeye yetkilidir. Bankaya verilecek senetlerdeki damga vergisi noksanı ve cezalarından, usulsüzlük, sahtekarlık, tahrifat ve benzeri hallerden dolayı her türlü sorumluluk Kredi Alana ait olacaktır. Kredi Alan, gerek kusurlu ve ayıplı senetlerin, gerekse vadelerinde ödenmeyen senetlerin bedellerini ilk talebinde Bankaya ödemeyi veya bunların yerine kabule şayan yeni senetler vermeyi kabul eder. Banka, senetleri protesto edip etmemek, kanuni takip yapıp yapmamak hususlarında serbest olup; Kredi Alan, Bankanın bu yetkileri kullanmayarak senede bağlı hakların zamanaşımına uğraması nedeniyle doğabilecek her türlü talep hakkından feragat ettiğini kabul eder. Kredi Alan, gerek teminata gerekse tahsile verilen senetlerin, kaybolması veya ödeme yasağı konulması hallerinde, Bankanın hiçbir sorumluluğu olmayacağını, Bankanın iptal davası açık açmamakta serbest olduğunu kabul eder.

The Bank shall not be held responsible in any manner for not exercising this authority, the insufficiency of the insurance amount and selection of the insurer. The Borrower accepts that; the costs, premium, etc. of the insurances to be made are its debts, the commission to be paid by the insurer to the Bank and the indemnity arising out of the insurance contract shall be paid to the Bank; however, if it objects to the indemnity amount, the rights arising from the Insurance policy can be transferred to itself provided that it pays the indemnity amount to the Bank within the given period of time; otherwise the Bank shall be entitled to collect the indemnity amount.

The Borrower accepts that; if a lawsuit is filed by the Bank because of any dispute arising with regard to the indemnify amount with the insurance company, all costs to be incurred in respect thereof shall be borne by itself, and it shall not make any claim from the Bank should such lawsuit be settled against the Bank.

**5.05 Compliance with Environmental Obligations:** The Borrower shall; (i) comply with all environmental licenses and environment law and regulations that are in force and effect within the frame of current legislation and international legislation in the Republic of Turkey and in the respective foreign country if it is specified in the schedule to be executed for the relevant credit; (ii) pay or cause to be paid all costs incurred as a result of such practice; and (iii) not conduct any act or transaction that may limit its right of disposal on all immovable properties that are currently owned and will be owned in future or are managed by itself as to create a Material Adverse Effect as a result of environment law and regulations.

The Borrower, at present and so long as the credits are outstanding, shall not produce, use, process, store, dispose any hazardous material on immovable properties that are owned by itself or used by itself or under its disposal in some way or shall not make such materials subject to any discharging process, shall not enable these substances to be transported and shall not allow third parties to engage in such type of actions.

**5.06 Security:** The Borrower undertakes to provide all types of security in favor of the Bank in form and substance acceptable to the Bank and at an amount, quantity and substance satisfactory to the Bank, as the collateral of all its liabilities and obligations including the principal, interest, default interest, commission, fees, costs incurred and/or to be incurred under the Financing Documents, and to provide all agreements and documents to the Bank appropriate for such purpose.

The Borrower, within the scope of the foregoing paragraph, undertakes to pledge the commercial bills to the Bank, apart from those specified in the schedule to be executed for the relevant credit. The Bank shall be entitled to ask the bills endorsed to the Bank for collection to be subsequently transferred by endorsement as collateral.

Kredi Alan, Bankaya teminat veya tahsil için verilen senetlerin, Banka tarafından tahsil amacıyla muhabinine gönderilmesi halinde, muhabinin Banka tarafından seçileceği ve senet bedelinin tahsilini müteakip, bedelin Bankaya intikalinde herhangi bir gecikmeden dolayı Bankanın sorumlu olamayacağını kabul eder.

Kredi Alan, Bankaya teminata verilen senetlerin ödenmemesi nedeniyle Borçluları aleyhine kanuni takibe geçildiği takdirde, tüm masraflar ve avukatlık ücretlerinin ve bu senetlerdeki imzalardan herhangi birinin Borçlulara ait olmaması nedeniyle Banka aleyhine tazminata hükmedildiği takdirde bu miktarın da hesabına borç kaydedilmesini kabul eder.

Senetlere ait komisyonların hesabında, tevdi günü başlangıç alınacaktır. Vadesinde ödenmeyen senetlerden kanunen alınması mümkün olan gecikme komisyonu Bankaya ait olacaktır. Bu komisyonun Banka tarafından senet borçlusundan tahsil edilemeyen bölümü Kredi Alan tarafından Bankaya ödenecektir.

Banka, verilen ve verilecek senetleri dilediği anda, dilediği banka veya müesseseye reeskont ettirebilir. Kredi Alan, reeskonta verilen senet tutarını protesto veya ihbame çekilmesine gerek olmaksızın senet hamiline veya Bankaya ödemeyi taahhüt eder. Bu reeskont işlemine ait her türlü faiz, komisyon, vergiler vs. masraflar da Kredi Alana ait olacaktır.

**5.07 Teminat Açığı:** Kredi Alan, Finansman Belgeleri tahtında doğmuş ve/veya doğacak her türlü borç, tüm ferileri ile beraber tamamen ödeninceye kadar, ilgili kredilerin teminatı olarak Banka lehine tesis edilmiş ve edilecek teminatların herhangi birinin değerinde düşüş olması durumunda, Bankanın yazılı talebi üzerine derhal, söz konusu teminat açığının gidermeyi kabul eder. Bu kapsamda, Banka tarafından uygun bulunan sair menkul veya gayrimenkul malvarlıkları üzerinde, Bankanın talep ettiği şekil, süre ve şartlarda ilave teminat sağlar. Aksi takdirde Bankanın ilgili krediler veya Banka nezdindeki tüm krediler, İşlemiş olan tüm faiz, ücret ve komisyonları ve Finansman Belgelerinde belirlenen diğer her türlü masraf, ücret, komisyonlar ile birlikte muaccel hale getirme ve ilgili kredilerin geri ödenmesini talep etme hakkını haizdir.

The Borrower shall be fully responsible for any deficient stamp duty and its penalties on the bills given to the Bank as well as any irregularities, forgery, falsification or alteration and any other similar occasions in respect thereof. The Borrower accepts to pay any balance of the defective and faulty bills and of those unpaid at their due dates to the Bank upon its first demand or to provide acceptable new bills in lieu of such bills. The Bank shall be free to decide on issues as to whether to issue a protest or initiate a legal action against such bills; and if the Bank does not exercise these powers, the Borrower accepts to waive all its claim rights which may arise as a result of the prescription of the rights associated with such bills. The Borrower also accepts that, if such bills given either as collateral or for collection are lost or banned from payment, the Bank shall bear no responsibility and it shall be free to file a nullity suit in respect thereof.

The Borrower accepts that; if the bills given as collateral or for collection are sent by the Bank to its correspondent bank for collection, such correspondent bank shall be determined by the Bank, and the Bank shall not be held responsible for any delay for the transfer of the consideration of such bill to the Bank after its collection.

The Borrower accepts that; if a legal proceeding is initiated against the debtors caused by the failure to pay the bills given as collateral to the Bank, all costs and attorney fees, as well as the amount of any indemnity to be imposed to the Bank in case any of the signatures on these bills do not belong to the debtors, shall be debited to its account.

In calculating the commissions of the bills, the delivery date shall be taken as the start date. The delay commission that could be legally charged for the bills unpaid at their due dates shall belong to the Bank. The portion of such commission failed to be collected by the Bank from the debtor shall be paid by the Borrower to the Bank.

The Bank may at any time rediscount the bills, which are given and to be given, to any bank or institution it wishes. The Borrower undertakes to pay the amount of the bill given to rediscount to the bill holder or to the Bank without the need of issuing any further protest or notification. All types of interest, commission, taxes, etc. as well as other charges pertaining to such rediscount process shall be borne by the Borrower.

**5.07 Margin Deficit:** The Borrower accepts that; if the value of any security created or to be created in favor of the Bank as collateral for the respective loan depreciates, it shall remedy such margin deficit immediately upon the Bank's written demand, until the complete discharge of all types of debt that arose and/or will arise out of the Financing Documents together with the accessory obligations. In this context, the Borrower shall provide additional securities on its other real estates or movable properties acceptable to the Bank, in form, conditions and for duration requested by the Bank. Otherwise, the Bank shall be entitled to demand the relevant credits or all credit facilities with the Bank to become due and payable together with all accrued interests, fees and commissions thereof and all type of costs, fees, commissions determined in the Financing Documents, and to ask the repayment of such credits.

## MADDE VI YAPMAMA TAAHHÜTLERİ

Kredi Alan, İşbu Sözleşme çerçevesinde, Sözleşme Süresi ve Banka tarafından kendisine kullandırılmış bulunan her cins ve nitelikteki kredinin devamı boyunca ve bu sebeple doğmuş gerek asıl alacak ve gerek ferî alacak niteliğindeki herhangi bir Banka alacağı ödenmediği sürece, aşağıdaki taahhütleri yapmamayı ve ihlal etmemeyi taahhüt eder.

### 6.01. Takyidatlandırılmama Yükümlülüğü:

Kredi Alan, aşağıda belirtilen özel haller hariç olmak üzere, hiçbir şekil ve surette hiçbir varlığını takyidatlandırmamayı kabul eder:

- (a) Banka lehine olan takyidatlar,
- (b) Vadesi gelmemiş veya halen ödenmesi gerekmeyen vergi, resim ve harçlar dolayısıyla verilmiş takyidatlar,
- (c) Kanunen yahut ilgili mevzuat gereğince verilmesi gereken yahut böyle olduğu kabul edilen takyidatlar,
- (d) Borçluluktan doğmamış olmak kaydıyla, bir ihale veya sözleşme dolayısıyla verilmiş takyidatlar,
- (e) Her bir kredi için akdedilen eklerde belirlenen sınırların azamisini aşmayacak miktardaki Borçluluk dolayısıyla tesis edilmiş olan takyidatlar,
- (f) Mahkemelere veya icra dairelerine verilen teminatlara ilişkin takyidatlar,
- (g) Kredi Alanın iş ve faaliyetlerini engellemek ve mal varlığının değerinde bir kayba yol açmamak kaydıyla, geçiş irtifakı, yol hakkı veya benzerleri gibi irtifak hakları ve kısıtlamalar,
- (h) Bankadan kullandığı kredi öncesindeki kredileri dolayısıyla vermiş olduğu rehiner ve sair takyidatlar, (i) Bankanın açık ve yazılı olarak izin verdiği takyidatlar.

**6.02 Borçlanmama Yükümlülüğü:** Kredi Alan, İmza Tarihi itibariyle aşağıda açık olarak belirtilen haller hariç olmak üzere yeni borç yaratmayacaktır:

- (a) İşbu Sözleşme çerçevesinde yaratılan borçlar,
- (b) Bankanın uygun göreceği diğer borçlar (ancak bu borçlar hiçbir şekil ve surette gönüllü olarak erken geri ödenmeyecek, yenilenmeyecek, yapılandırılmayacak veya yeniden finansman konusu yapılmayacaktır),
- (c) İşbu Sözleşme çerçevesindeki her ne nam altında olursa olsun tüm borçların geri ödenmesi veya teminatlandırılması maksadıyla yapılan borçlanmalar,
- (d) Kredi Alanın Alt Kuruluşları arasındaki borçlanmalar,
- (e) Kredi Alanın günlük ticari faaliyeti dolayısıyla doğmuş bulunan ve herhalde doğmaları izleyen 60 (altmış) gün içinde kapatılması gereken borçlar,
- (f) Herhangi bir zamanda her bir kredi için düzenlenmiş olan eklerde belirlenen sınırların azamisini aşmayacak miktardaki teminat mektupları.

**6.03 Birleşmeme ve Konsolidasyona Gitmeme:** Kredi Alan, Bankanın yazılı ön izni olmaksızın tasfiye, fesih veya diğer şekillerde bir başka kişi ile birleşmeyecek ve konsolide olmayacaktır.

## ARTICLE VI NONPERFORMANCE UNDERTAKINGS

The Borrower, within the scope of this Agreement, undertakes not to perform and breach the following undertakings, throughout the Term of the Agreement and for so long as the credit in any type and substance provided to the Borrower by the Bank continues and until any Bank receivable, either in the form of primary or secondary, arising out of or by that reason, is outstanding.

**6.01 No Encumbrances Obligation:** The Borrower, except for the special situations set forth below, undertakes not to create any encumbrance over all or any of its properties in any form and by any means:

- (a) Encumbrances created in favor of the Bank,
- (b) Encumbrances created due to taxes, duties and charges that are neither due or nor need to be paid yet.
- (c) Encumbrances required to be given pursuant to the law or relevant legislation or considered to be as such,
- (d) Encumbrances given due to a tender or a contract provided however that it has not incurred in connection with any Indebtedness,
- (e) Encumbrances created due to an Indebtedness at an amount not exceeding the minimum limits determined in the schedules executed for each credit,
- (f) Encumbrances in relation to the securities given to the courts or execution offices,
- (g) Easements and restrictions such as the servitude of passage, right of way, etc. on condition that they shall not obstruct the Borrower's business and activities and cause any depreciation in the value of its assets and properties,
- (h) Liens and other encumbrances given in connection with other loans before the utilization of the credit from the Bank,
- (i) Encumbrances with explicit written consent of the Bank.

**6.02 Not to Incur Indebtedness:** The Borrower shall not create any further indebtedness as of the Signature Date except for those explicitly set forth below:

- (a) Indebtedness created in accordance with this Agreement
- (b) Other indebtedness to be deemed appropriate by the Bank (however that such debts shall not be voluntarily paid off early, renewed, restructured or be subject to refinancing by any means and manner whatsoever),
- (c) Indebtedness incurred for the repayment or collateralization of all debts, irrespective of under which name, within the scope of this Agreement,
- (d) Indebtedness between the Affiliates of the Borrower,
- (e) Indebtedness incurred in connection with the daily commercial activities of the Borrower and which are in any event required to be paid off within 60 (sixty) days after they were incurred,
- (f) Letters of guarantee of which their amount shall not at any time exceed the maximum limits determined in the schedules executed for each credit.

**6.03 No Merger and Consolidation:** The Borrower shall not be dissolved, liquidated or shall not merge into and consolidate with any other person in any manner without obtaining prior written consent of the Borrower.

**6.04 Satmama, Kiralamama, Geri Alım ile Satmama:** Kredi Alan, mal varlığında azalmaya yol açacak veya faaliyetlerini engelleyecek veya imkânsız kılabilecek şekilde mal varlığında bulunan değerleri elden çıkartmayacak, tüketmeyecek, satmayacak, uzun dönemli olarak kiraya vermeyecektir. Bu işlemleri yapmayı düşünen Kredi Alan, işlemin gereklilik nedenlerini de içerir bir yazıyı Bankaya göndererek, Bankanın İlgili her bir işlem için yazılı ön iznini almalıdır.

Bu kapsamda Kredi Alan, aktiflerinin veya bunların gelir veya faizlerini veya taahhütlerinin bir bölümünü veya tamamını, (i) Bankadan izin alınarak yapılan tasarruflar, (ii) nakit ödeme karşılığı tasarruflar, (iii) piyasa koşullarına uygun tasarruflar haricinde aynı zamanda veya belirli bir süre içinde gerçekleştirilen ister tek bir işlem ile isterse birbirine bağlı veya bağlı olmayan bir dizi işlemlerle satmayacak, devretmeyecek veya bunlar üzerinde başka şekilde tasarrufta bulunmayacaktır.

**6.05 Kar Payı Ödememe:** Kredi Alan, Bankanın yazılı ön iznini almadan hissedarlarına ne şekil ve surette olursa olsun herhangi bir kar payı ödemesi yapmayacaktır. .

**6.06 Başkaca izinsiz Yatırım Yapmama:** Kredi Alan, Bankanın yazılı ön iznini almadan, ister öz kaynak kullanılarak isterse kredilendirme suretiyle gerçekleştirilsin herhangi bir cinsten ve şekilde yatırım yapmayacaktır.

**6.07 ilave Yükümlülükler Girmeme, Garanti ve Kefalet Vermeme:** Kredi Alan, Banka dışındaki herhangi bir mali kurum veya üçüncü kişiler nezdinde, bir üçüncü kişi lehine mal varlığındaki bir değeri rehin verme veya başka türlü takyidat altına sokma da dahil olmak üzere, ilave yükümlülük altına girmeyecektir. Kredi Alan, Bankanın yazılı ön iznini almadan hiç kimse lehine açık veya zımni kefil olmayacak ve garanti vermeyecektir. .

**6.08 Şirketler Topluluğu Arasındaki İlişkiler:** Kredi Alan, Finansman Belgelerinde açık bir şekilde izin verilenler veya imza Tarihi öncesinden başlamış ve devam edenler hariç olmak üzere, dahil olduğu şirketler topluluğu üyeleriyle ve Alt Kuruluşlarıyla, işlemin veya hukuki muamelenin piyasa koşullarına uygun olarak ve asgari cari piyasa fiyatıyla yapılması hâli hariç olmak üzere, herhangi bir hukuki işleme girmeyecektir. Buna ek olarak Kredi Alan, (i) kendisine ödeme yapılması veya (ii) piyasa koşullarına uygun cari fiyatla yapılan bir fiili hizmet alımı ile alakalı olması hâli hariç olmak üzere, dahil olduğu şirketler topluluğu üyelerinden herhangi birine veya Alt Kuruluşlarına yahut onların ortaklarına herhangi bir lisans, danışmanlık ücreti, berat ücreti veya başka şekilde bir ödeme yapmayacaktır.

**6.04 Not to Dispose, Lease, Buy Back:** The Borrower shall not sell, consume and otherwise dispose and create long-term lease on any of assets under its possession in a manner to cause impairment in its activities, The Borrower considered to be involved In such operations should submit to the Bank a justification letter with the reasons of this operation and obtain its prior written consent for each operation thereof. In this context, the Borrower shall not sell, transfer or otherwise dispose of the whole or a part of its assets or their income or interest or its undertakings in any manner through either a single transaction or a serious of transactions related or unrelated to each other conducted at the same time or within a specific period of time except for (i) the disposals made with the consent of the Bank, (ii) the disposals made against cash proceeds, (iii) the disposals that are in line with the market conditions.

**6.05 Not to Pay Dividend:** The Borrower shall not make any dividend payment to its stakeholders in any manner and form without obtaining prior written consent of the Bank.

**6.06 No Further Unpermitted Investment:** The Borrower shall not make any investment in any type and form either by using equity or a credit facility without obtaining prior written consent of the Bank.

**6.07 No Further Additional Undertakings, Not to Grant Guarantee and Surety:** The Borrower shall neither assume any additional undertaking to any financial institution or third party other than the Bank including also any lien or other encumbrance on any of assets under its possession to be given for the benefit of a third party. The Borrower shall nor grant any explicit or implicit surety and guarantee in favor of any person without obtaining prior written consent of the Bank.

**6.08 Relations Between the Group of Companies:** The Borrower, except for those that are explicitly permitted in the Financing Documents or started and continuing before the Signature Date, shall not enter into any legal transaction with the members of the group companies that it belongs and its Affiliates, except where such transaction or legal process is conducted in accordance with the market conditions and based on minimum prevailing market price. In addition, the Borrower shall not make any license, consultancy, patent fee payments or in any other form to the members of the group of companies that it belongs and its Affiliates or their shareholders, except for (i) the payments made to itself, or (ii) those that are related to the procurement of an actual service made based on a prevailing price in accordance with the market conditions.

## MADDE VII MALİ TAAHHÜTLER

Kredi Alan, işbu Sözleşme çerçevesinde, Sözleşme Süresi ve Banka tarafından kendisine kullanılmış bulunan her cins ve nitelikteki kredinin devamı boyunca ve bu sebeple doğmuş gerek asıl alacak ve gerek ferî alacak niteliğindeki herhangi bir Banka alacağı ödenmediği sürece, ilgili krediler için akdedilecek eklerde düzenlenen mali taahhütleri yerine getirmeyi ve bu eklerde belirlenen azami tutarları aşmamayı taahhüt eder.

## MADDE VIII ŞARTLARDAKİ ÖNEMLİ DEĞİŞİKLİKLER

**8.01 Kur Riskleri:** İşbu Sözleşme kapsamında Kredi Alana kullanılan döviz kredilerinde, kredi anaparasının TL karşılığında daha düşük bir anapara ödemesi yapılamaz. Kredinin, Kredi Alanın talebi üzerine farklı para biriminden kullanılması durumunda oluşabilecek kur farkı dahil her türlü kur riski Kredi Alana aittir. ,

**8.02 Artan Maliyetler:** İmza Tarihinden sonra Kredi Alan veya Banka üzerinde etki doğurabilecek herhangi bir mevzuat değişikliği yahut İdari karar veya mahkeme İçtihatlarındaki bir değişiklik veya düzenleme dolayısıyla veya mevzuatın yorum yahut uygulamasında bir değişiklik meydana gelmesi ya da Bankanın sayılanlarla sınırlı olmamak kaydı ile vergilendirme, yedek akçeler, disonibilibite, karşılıklar, nakit oranları, likidite veya sermaye yeterlilik şartları dahil zorunlu olarak uyması gereken bir durumun ortaya çıkması halinde, bu durum Banka üzerinde ilave bir maliyet doğuruyorsa veya Bankanın kredi alacağını azaltıyorsa veya Bankanın sermaye karlılık oranında düşmeye yol açıyorsa veya Banka üzerinde ilave maliyetlere sebep oluyorsa; Kredi Alan bu durumdan haberdar edilecek ve Bankaya bu ilave maliyetleri ödeyecektir.

Türkiye Cumhuriyetindeki ve dünya ekonomisindeki sıkıntı ve krizler dolayısıyla, Bankanın borçlanma maliyetlerinin artması durumunda da artan borçlanma maliyeti Kredi Alan tarafından karşılanacaktır. Böyle bir durumda, Kredi Alanın ilgili krediyi 2.08 maddesine uygun olarak erken geri ödeme hakkı saklıdır.

## MADDE IX TEMERRÜT

**9.01 Temerrüt Halleri:** Aşağıda sayılan bir olayın oluşması temerrüt durumu ("Temerrüt Durumu") olarak kabul edilir.

## ARTICLE VII FINANCIAL UNDERTAKINGS

The Borrower, within the scope of this Agreement, undertakes to fulfill the financial undertakings stipulated in the schedules to be executed for the relevant credit and not to exceed the maximum amounts determined in these schedules in respect thereof, throughout the Term of the Agreement and for so long as the credit in any type and substance provided to the Borrower by the Bank continues and until any Bank receivable, either in the form of primary or secondary, arising out of or by that reason, is outstanding.

## ARTICLE VIII MATERIAL CHANGE IN CIRCUMSTANCES

**8.01 Currency Risks:** For the foreign currency credits provided to the Borrower within the scope of this Agreement, no principal payment lower than the Turkish Lira equivalent of the principal amount of the credit can be made. All types of risks including the currency risk which may arise due to the utilization of the credit in a different currency upon request of the Borrower shall belong to the Borrower.

**8.02 Increased Costs:** If any legislation change or administrative decision or any amendment or arrangement in judicial precedents or any change in the interpretation and application of the legislation which may create an effect on the Borrower or the Bank after the Signature Date, including but not limited to foregoing, the occurrence of any situation to which the Bank must adhere including the taxation, reserve funds, disposable cash reserves, provisions, cash ratios, liquidity or capital adequacy requirements would impose an additional cost on the Bank or reduce the credit receivable of the Bank or result in an Impairment in the return on equity ratio of the Bank or cause the Bank to incur additional costs; then the Borrower shall be informed about such a situation and shall pay to the Bank any additional costs to be incurred in respect thereof.

In case of any increase in the borrowing costs of the Bank as a result of crises and problems in the Republic of Turkey and world economy, such increased borrowing costs shall also be borne by the Borrower. In such a case, the Borrower reserves the right to make early payment of such credit in accordance with Article 2.08.

## ARTICLE IX DEFAULT

**9.01 Events of Default:** The occurrence of any of the following events shall be deemed to constitute an event of default (the "Event of Default").

(a) Kredi Alanın, Finansman Belgeleri ve Banka ile akdettiği; türev, hazine işlemlerine ilişkin sözleşmeler dahil; diğer sözleşmeler uyarınca vadesi geldiğinde ödemesi gereken meblağı tüm ferileri ile birlikte tam ve eksiksiz olarak ödememesi;

(b) Kredi Alanın, Finansman Belgelerinde yer alan bir beyanına, garantisine, taahhüdüne aykırı davranması veya bunları yerine getirmekten kaçınması;

(c) İşbu Sözleşme veya diğer Finansman Belgelerinde anılan veya bunlar uyarınca veya gereğince temin edilen herhangi bir belge, beyan veya bildirimde yer alan herhangi bir garanti veya beyanın, yapıldığı esnada yanlış, eksik olduğunun veya doğru olmadığını kanıtlanması;

(d) Finansman Belgelerinde anılan veya bunlar uyarınca veya gereğince temin edilen herhangi bir belge, sözleşme veya taahhütnamenin herhangi bir hükmünün, geçersiz veya herhangi bir nedenden dolayı uygulanamaz olması veya geçersiz veya uygulanamaz hale gelmesi ya da bunlardaki herhangi bir hükmün geçerliliğinin ve uygulanabilirliğinin Kredi Alanın İznine yahut onayına veya icazetine bağlı hale gelmesi veya Kredi Alanın böylesi bir yükümlülük veya sorumluluğunun varlığını açık veya zımnî olarak reddetmesi;

(e) Finansman Belgelerinde anılan veya bunlar uyarınca veya gereğince temin edilen herhangi bir belge, sözleşme veya taahhütnamede Kredi Alanın üstleneceğini belirttiği herhangi bir yükümlülüğü yasal olarak üstlenmesi, haklarını kullanması veya yerine getirmesi gerekliliğinin ortaya çıkması ancak bu gerekliliğin yapılmaması, yerine getirilmemesi veya uygulanmaması;

(f) Kredi Alan ile ilgili olarak veya Kredi Alanın herhangi bir varlığı ile ilgili olarak kayyım, Yeddiemin veya benzeri bir memurun atanması için bir başvuru yapılması veya Kredi Alanın yetkili organları tarafından böylesi bir başvuru yapılması yolunda karar alınması;

(g) (Kredi Alanın; moratoryum, konkordato, ödemelerini durdurması, iflası erteleme, iflas, tasfiye, borçların tasfiye yoluyla ödenmesinin başlatılması için talepte bulunması, bu yönlerde mahkemeye talepte bulunma yahut benzeri neticeler doğuracak bir davranışta bulunması yahut Kredi Alanın her türlü alacaklılarının yukarıda sayılanlardan biri ile Kredi Alan aleyhine işlemlere başlanması;

(h) Bankanın kanaatine göre, Kredi Alan üzerinde Esaslı Olumsuz Etki yapan bir olayın veya durumun ortaya çıkması veya bilançoda olumsuz gelişmelerin meydana gelmesi, Kredi Alanın diğer bankalardan olan kredi ilişkilerinin problemli hale gelmesi, Kredi Alanın kanuni yükümlülüklerini yerine getirememesi yahut Bankanın kanaatine göre Kredi Alanın İşbu Sözleşme konusu borçlarını ifaya engel bir durumun ortaya çıkması;

(i) Borçluluk oranının artması; (işbu madde kapsamında Borçluluk oranı hesaplanırken Kredi Alanın, Kredi Alanın dahil olduğu şirketler topluluğu üyelerinin ve Kredi Alanın Alt Kuruluşlarının Borçluluk oranları toplam olarak dikkate alınacaktır.)

(a) If the Borrower fails to pay any sum required to be paid off under the Financing Documents and other agreements, including the contracts related to derivative and treasury transactions, executed with the Bank in pursuance hereof by its due date together with its accessory obligations in full;

(b) If the Borrower contravenes with or abstain from performing any of its statement, warranty and undertaking contemplated in the Financing Documents;

(c) If any statement or warranty given in any document, declaration or statement referred in this Agreement or other Financing Documents or provided in accordance with or pursuance thereof are proven to be wrong, incomplete or incorrect at the moment of their execution;

(d) If any provision of any document, agreement or undertaking referred in the Financing Documents or provided in accordance with or pursuance thereof is invalid or unenforceable or become invalid or unenforceable by any reason or the validity and enforceability of any provision in these documents, agreements or undertakings become subject to the consent or approval or permission of the Borrower or if the Borrower Implicitly or explicitly rejects the existence of such an undertaking or liability;

(e) Occurrence of any obligation or right required to be undertaken, exercised or fulfilled by the Borrower which it expressed to undertake in any document, agreement or undertaking referred in the Financing Documents or provided in accordance with or pursuance thereof, if, however, such an obligation is failed to be performed, fulfilled or executed;

(f) An application made for the assignment of receiver, trustee or a similar officer in relation to the Borrower or in relation to any asset of the Borrower, or a decision taken by the authorized bodies of the Borrower to make such an application;

(g) If the Borrower files a petition to initiate moratorium, composition, suspension of payments, postponement of bankruptcy, bankruptcy, liquidation, settlement of debt through liquidation, or makes an application to the courts in this direction, or acts in such a way to produce similar consequences, or if any action is taken against the Borrower by its other creditors through either of the foregoing;

(h) Occurrence of any event or situation that may, in the sole determination of the Bank, create a Material Adverse Effect on the Borrower or any adverse development happening in the balance sheet the credit relations of the Borrower with other banks to become problematic, the failure of the Borrower to fulfill its legal obligations, or occurrence of a position of the Borrower that may, in the sole determination of the Bank, prevent the Borrower to perform its debts subject to this Agreement;

(i) Increase in the debt ratio; (for computing the debt ratio under this article, the sum of the debt ratios of the Borrower, the members of the group companies to which the Borrower belongs and the Affiliates of the Borrower shall be taken into consideration).

(j) Yukarıda sayılanlar yanında her bir kredi için akdedilecek olan ekte söz konusu krediye özgü temerrüt hallerinden herhangi birinin gerçekleşmesi.

**9.02 Temerrüdün Sonuçları:** Yukarıda sayılan Temerrüt Durumlarından herhangi birisinin gerçekleşmesi halinde, Finansman Belgeleri nedeniyle tahakkuk eden anapara, faiz ve sair teferruat ve feriler ile Bankaya ödenmesi gereken diğer tüm meblağlar ve diğer ilgili dokümantasyon çerçevesinde doğacak borçların tamamı herhangi bir ihbara gerek kalmaksızın Kredi Alan açısından muaccel hale gelecektir. Temerrüt dolayısıyla ilgili mevzuat çerçevesinde Banka tarafından ayrı ayrı veya birlikte kullanılabilir olan müracaat haklarına ilaveten, Kredi Alan işbu Sözleşmeye göre açılmış kredi hesaplarının kesilmesinden, vadeli kredilerin vadelerinin gelmesinden, kanuni temerrüt hükümlerinin uygulanmasından veya her ne suretle olursa olsun borçlarının muaccel kılınmasından sonra da borç bakiyelerinin tamamı ödeninceye kadar faiz, temerrüt fôizi, komisyon, ücret, fon kesintisi, masraf, Vergi ve diğer eklentilere ilişkin yükümlülüklerinin, ilgili kredilerin muacceliyet anında geçerli olan şartlar dairesinde işlemeye devam edeceğini kabul eder.

Kredi Alan, işbu Sözleşme ve diğer Finansman Belgelerinden doğan borçları gününde ödemediği takdirde, temerrüdün doğduğu tarihten bunları Bankaya ödeyeceği tarihe kadar geçecek günler için yetkili mercilerce veya Banka tarafından ödünç para verme mevzuatına göre tespit edilmiş en yüksek kredi faiz oranına veya ileride artırıldığı takdirde artmış en yüksek kredi faiz oranına, bu oranın %50'sinin ilavesi suretiyle bulunacak oran üzerinden temerrüt faizi ve onun gider vergisini ödemeyi kabul ve taahhüt eder.

**9.03 Cari Hesap Şeklinde İşleyen Kredilerde Bankanın Cari Hesabı Kapatma Yetkisi:** 9.01 maddesinde sayılan Temerrüt Durumlarından herhangi birinin varlığı halinde Banka, işbu Sözleşmeye dayanan cari hesap şeklinde işleyen kredinin bir kısmının veya tamamının ödenmesini talep edebilir.

Söz konusu kredinin ihracat maksadıyla kullanılmış olması ve mevzuatta öngörülen taahhüt kapatma süresinden önce hesabın kat'ı halinde, Kredi Alan aleyhine uygulanacak ceza ve yaptırımlardan Banka sorumlu olmayacaktır.

Bankanın cari hesap şeklinde işleyen kredinin kapatılması hakkında yapacağı ihbar, hangi kredi ile ilgili olarak yapılmışsa o hesap veya hesapları muaccel kılacak ve anılan krediye ilişkin anapara, faiz, komisyon, gider vergisi ve diğer hususlardan dolayı Kredi Alanın Bankaya olan borçları, hesabın kesildiğinin bildirilmesi ile birlikte Kredi Alan tarafından derhal Bankaya ödenecektir.

**9.04 Takibe Geçme Hakkı:** Banka, alacağının kısmen veya tamamen muacceliyet kazanması halinde, Kredi Alan tarafından taşınır rehni ile teminata bağlanmış veya teminat olarak verilmiş olan senetlerin henüz vadeleri gelmemiş olsa bile, Kredi Alana karşı haciz yolu ile veya iflas yolu ile takibe geçebilir ve ayrıca her türlü alacağı için ihtiyati haciz veya ihtiyati tedbir kararı alıp uygulayabilir. Kredi Alan, Bankanın ihtiyati tedbir veya ihtiyati haciz talebinde bulunması halinde teminat yatırmamasını da kabul eder.

(j) In addition to the foregoing, occurrence of any events of default unique to such credit to be specified in the schedule to be executed for each credit.

**9.02 Consequences of Default:** In case of occurrence of any of the Events of Default stated above, any principal, interest and other miscellaneous and ancillary charges that are arisen under Financing Documents and all other amounts required to be paid to the Bank as well as all debts to be arisen under other relevant documentation shall become due and payable for the Borrower without requiring to provide any further notice.

In addition to the rights of petition exercisable either separately or collectively by the Bank within the frame of the relevant legislation in connection with default; the Borrower accepts that, its liabilities related to the interest, delay interest, commissions, fees, fund withholdings, charges, Taxes and other additions shall continue to be accrued in accordance with the conditions applicable at time when such credit has become due and payable even after the suspension of its credit accounts opened according to this Agreement, expiration of its term loans, application of statutory default provisions, or its debts are caused to become due and payable in any manner whatsoever, until all debt balances would be paid in full.

If the Borrower fails to pay its debts arising out of this Agreement and other Financing Documents on their due dates, the Borrower accepts and undertakes to pay a delay interest and the excise tax thereof at a rate to be calculated by adding 50% over that of the highest credit interest rate or, if it is raised, of the raised highest interest rate determined by the authorized bodies or by the Bank according to the lending legislation for the days elapsing from the day of occurrence of such default to the date these amounts would be paid to the Bank.

**9.03 The Bank's Right to Terminate the Current Account for the Overdraft Facilities Granted to the Current Account:**

In case of existence of any of the Events of Default specified in Article 9.01, the Bank is entitled to ask such overdraft facility granted to the current account based on this Agreement to be paid off either in whole or in part.

If such credit has been granted for export purposes and the account was terminated before the closing period of the export contracts stipulated in the legislation, the Bank shall not be liable for the penalties and sanctions to be imposed against the Borrower.

For whichever credit the notice to be served by the Bank for the termination of the overdraft facility granted to the current account was served, the principal, interest, commission, excise tax amounts and all debts concerning that credit owed by the Borrower to the Bank for other matters that will cause such account or accounts to become payable and shall be immediately paid by the Borrower to the Bank upon notification of the termination of the account.

**9.04 The Right to Initiate Legal Proceedings:**

Even if the bills aiven by the Borrower as collateral or secured by chattel mortgage are not yet due, the Bank, in case when its receivable become payable either in whole or in part, can initiate legal Proceedings at any time against the Borrower through filing a lien or bankruptcy; and the Bank may further take and execute provisional seizure or precautionary injunction order for any type of its receivable. The Borrower also accepts the Bank not to deposit any security in case it asks for provisional seizure or precautionary injunction order.

**MADDE X  
SAİR HÜKÜMLER**

**10.01 Tadiller:** İşbu Sözleşme hükümlerine ilişkin hiçbir husus, Bankanın yazılı ön iznini almadan değiştirilemez, farklı uygulamaya tabi tutulamaz veya tadil edilemez.

**10.02 İhtar ve İhbarlar:** Aksi ilgili Ek Sözleşmede belirtilmediği sürece, işbu Sözleşmede yer alan hususların yerine getirilmesi amacıyla yapılacak olan bütün ihbarlar, talepler ve diğer yazışmalar için Tarafların işbu Sözleşmenin sonunda yazılı adresleri, 2004 sayılı İcra İflas Kanunu'nun 21. maddesi ve 148/a maddesi hükümleri saklı kalmak kaydıyla kanuni ikametgâhları kabul edilir ve bu adreslere yapılan tebligatlar Taraflara yapılmış sayılır. Kredi Alan, ileride kanuni ikametgâhını değiştirmesi halinde bu yeni adresini 5 (beş) İş Günü içinde noter kanalıyla Bankaya yazılı olarak bildirir. Aksi takdirde işbu Sözleşme sonunda veya ilgili kredi için akdedilen ekte yazan adreslerine yapılacak tebligatlar geçerlidir. Tebligatlar ilgili mevzuat, hükümlerine uymak kaydıyla her şekilde yapılabilir. İkametgâhı yurtdışında olan Kredi Alanın, en geç işbu Sözleşmenin imzasına kadar, Türkiye Cumhuriyeti sınırları içinde bir tebligat adresi belirlemesi zorunludur.

**10.03 Feragat ve Vazgeçmeler:** Bankanın işbu Sözleşme, diğer Finansman Belgeleri ve ilgili diğer sözleşmeler çerçevesindeki herhangi bir hakkını, talebini, bildirimini, imkânını veya imtiyazını kısmen veya tamamen kullanmaması veya herhangi bir süre sınırlaması olmaksızın kullanmakta gecikmesi, bunlardan feragat edildiği anlamına gelmez veya herhangi bir hakkın, talebin, bildirim, imkânın veya imtiyazın tek başına veya kısmi kullanılması, diğer herhangi bir hakkın, talebin, bildirim, imkânın veya imtiyazın kullanılmasına mani teşkil etmez. Finansman Belgeleri ile temin edilen haklar ve yükümlülükler kümülatiftir ve yasa ile sağlanan herhangi bir hakkı veya yükümlülüğü ortadan kaldırmaz, yerine geçmez ve böylesi haklar ve yükümlülükler, ne şekilde olurlarsa olurlar, aksi açıkça belirtilmemiş ise, Banka tarafından birçok kereler kullanılabilir.

**10.04 Hükümlerin Geçersizliği Hali:** İşbu Sözleşmenin herhangi bir hükmü, herhangi bir yasa çerçevesinde geçersiz, yasalara aykırı veya uygulanamaz hale gelirse, diğer hükümlerin geçerliliği, yasalara uygunluğu ve uygulanabilirliği bu durumdan etkilenmez ve zarar görmez. Bu şekilde yasaya aykırı gelen hüküm, yasaya aykırı olmayacağı en geniş şekilde yorumlanacaktır.

**10.05 Taraf Değişiklikleri ve Hak ve Yükümlülüklerin Devri:** Kredi Alan, işbu Sözleşme veya ekleri ile ilgili sair sözleşmelerden kaynaklanan hak ve yükümlülüklerini, tamamen veya kısmen tahsis veya transfer edemez.

**ARTICLE X  
MISCELLANEOUS**

**10.01 Amendments:** Neither of the issues related to the provisions of this Agreement can be amended, subject to a different application or modified without obtaining prior written consent of the Bank.

**10.02 Notices and Warnings:** Unless stated otherwise in the relevant Supplementary Agreement, the addresses of the Parties stated on the last Page of this Agreement, without prejudice to the Provisions of Article 21 and Article 148/a of the Enforcement and Bankruptcy Law No. 2004, are accepted as their legal residences for all notices, claims and other correspondence to be made for the fulfillment of issues included in this Agreement and the notifications served to such addresses shall be deemed to have been made to the Parties. If the Borrower changes its legal residence in future, it shall inform its new address to the Bank In writing through notary within 5 (five) Business Days; otherwise, notifications to be served to the addresses written on the last page of this Agreement or in the schedule executed for the relevant credit shall be valid. The notifications can be made via any means provided that the provisions of the relevant legislation are to be adhered.

The Borrower residing abroad is required to designate a notification address within the boundaries of the Republic of Turkey until the signature of this Agreement

**10.03 Waivers and Withdrawals:** The failure of the Bank to use any of its rights, claim, notice, opportunity or privilege within the scope of this Agreement, other Financing Documents and other relevant agreements either wholly or partially or its delay in using them without any time limitation shall not be construed to be a waiver of them or the use of any right, claim, notice, opportunity or privilege either solely or partially shall not constitute an obstacle for the use of any other right, claim, notice, opportunity or privilege,

The rights and responsibilities provided through Financing Documents shall be cumulative and shall not remove and replace any right or responsibility granted by law; and this kind of rights and responsibilities, unless explicitly stated otherwise, can be used by the Bank multiple times no matter how they are formed.

**10.04 Invalidity of the Provisions:** If any provision of this Agreement becomes invalid, illegal or unenforceable within the scope of any law, the validity, legality and enforceability of other provisions shall not be affected and damaged from this situation. The provision which becomes illegal in this way shall be interpreted in its widest sense as to be not illegal.

**10.05 Change of Parties and Transfer of Rights and Obligations:** The Borrower cannot assign or transfer its rights and obligations arising out of this Agreement or its schedules and other relevant agreements in whole or in part.

**10.06 Gizlilik:** Taraflar, işbu Sözleşme, diğer Finansman Belgeleri ve ilgili diğer dokümantasyon kapsamında gerçekleştirilecek işlemlerin veya bunlarla bağlantılı olarak iktisap edinecekleri bilgilerin gizli bilgi niteliğinde olduğunu ve yetkili resmi makamların emirleri hariç olmak üzere, kanunen açıklanması zorunlu olanlar dışında, hiçbir bilginin Tarafların tümünün yazılı onayı alınmaksızın üçüncü kişilere ifşa edilmeyeceğini kabul ederler.

Ancak, Bankanın Kredi Alana ilişkin bilgileri, Bankanın dahil olduğu şirketler topluluğu içinde yer alan kişilerle, Bankanın hissedarları ve Alt Kuruluşlarıyla ve/veya işbu Sözleşme tahtında kullanılan kredilerin idame ettirilmesinin bir gereği olması halinde muhabir banka veya diğer finans kuruluşlarıyla paylaşması işbu maddenin ihlali olarak nitelenmeyecektir. Kredi Alan bu tür bilgi ve belge paylaşımlarının yapılmasına muvafakat eder.

**10.07 Tazminatlar:** Kredi Alan, Bankayı ve ilgili memurlarını, işçilerini ve alt kuruluşlarını (i) Kredi provizyonu veya bunun hasılatlarının kullanımı, (ii) herhangi bir Finans Belgeleri icrası, teslimi veya uygulanması sonucunda veya bunlarla bağlantılı olarak herhangi bir ihlal sonucunda oluşan her türlü masraf, kayıp, hasar veya yükümlülükten koruyacak ve doğabilecek zararları tamamen tazmin edecektir.

**10.08 Delil Sözleşmesi:** Hukuk Muhakemeleri Kanunu'nun 193. maddesi çerçevesinde, işbu Sözleşme ile ilgili herhangi bir uyuşmazlıkta Bankanın defter ve mikrofilm, mikrofiş, ses, teyp bantları, bilgi işlem ve bilgisayar vs. kayıtları anılan kanunun 199. maddesi, kapsamında belge olarak değerlendirilir ve geçerlidir.

**10.09 Avukatlık Ücreti, Dava ve İcra Masrafları:** Kredi Alan, Banka tarafından gerek İşbu Sözleşmeden ve gerekse her ne sebeple kaynaklanmış olursa olsun, Kredî Alan aleyhine dava açmak ya da icra takibi yapmak zorunda kalınırsa, bu konuda mevzuatta yer.alsin veya almasını yapacağı her türlü masrafları ve ayrıca takip ve dava tutarları üzerinden asgari tarife üzerinden hesaplanacak avukatlık ücreti ile bunun gider vergisini ödemeyi kabul eder.

**10.10 Tabi Olunan Hukuk:** İşbu Sözleşme ve ekleri Türkiye Cumhuriyeti yasalarına tabidir.

**10.11 Yetkili Mahkeme:** İşbu Sözleşmenin (tacir olmayan gerçek kişi olanlar hariç olmak üzere) tüm Tarafları, işbu Sözleşme ve ekleri ile bağlantılı olarak ortaya çıkacak anlaşmazlıklarda, kanunen yetkili mahkeme ve icra dairelerinin yetkileri saklı kalmak kaydıyla, İstanbul Çağlayan Mahkemeleri'nin ve İcra Daireleri'nin yetkili olacağını kabul ederler.

**10.12 TBHS:** İşbu Sözleşmede hüküm bulunmayan hususlarda, Taraflar arasında cari Temel Bankacılık Hizmetleri Sözleşmesi hükümleri uygulanacaktır.

Yukarıdaki maddelere uygun olarak aşağıda adları ve adresleri yazılı Kredi Alan ile Banka arasında işbu Sözleşme, Tarafların işbu Sözleşmeyi imzalaması ile yürürlüğe girecek ve yürürlükte kalacaktır. işbu Sözleşmenin hükümleri, Banka tarafından kendilerine tahsis edilen Kredi Limitinin varlığına ilaveten Kredi Alanın Bankaya ve işbu Sözleşme, eklerinde ve diğer Finansman Belgelerinde belirtilen hüküm ve koşullar çerçevesinde açılmış kredilerinden kaynaklanan borç ve yükümlülükleri sürdüğü ve devam ettiği sürece yürürlükte kalacaktır.

**10.06 Confidentiality:** The Parties accept that transactions to be conducted within the scope of this Agreement, other Financing Documents and other relevant documentation or the information they acquire in connection thereof are confidential in nature and, except for the instructions of the competent official authorities, none of this information shall be disclosed to third parties without written consent of the Parties, other than those required to be disclosed by law.

On the other hand, the Bank's sharing of information about the Borrower with people in the group of companies to which the Bank belongs, the shareholders and Affiliates of correspondent banks or other finance institutions as a requisite for the maintenance of credits utilized under this Agreement shall not be deemed an infringement of this article. The Borrower gives its consent to share such information and documents.

**10.07 Indemnifications:** The Borrower shall hold the Bank and its related officers, employees and affiliates harmless against any cost, loss, damage or liability and shall indemnify all losses that may be incurred as a result of (i) the Credit provision or the usage of its proceeds; (ii) the execution, submission or application of any Financing Document or any breach in connection thereof.

**10.08 Evidential Contract:** Pursuant to Article 193 of Code of Civil Procedure; in case of any dispute related to this Agreement, the Bank's books and microfilms, microfiches, voice and tape records, information processing and computer records etc. shall be considered as document in accordance with Article 199 of the aforesaid law and shall constitute valid evidence.

**10.09 Attorney Fees, Litigation and Enforcement Costs:** If the Bank needs to file ( a lawsuit or initiate an enforcement proceeding against the Borrower either in connection with this Agreement or for whatever reason; the Borrower accepts to pay all types of costs irrespective of whether they are included or not included in the legislation, and also the attorney fee and its excise tax thereof to be calculated over the prosecution and litigation amounts based on the minimum tariff.

**10.10 Governing Law:** This Agreement and its schedules shall be governed by the laws of Republic of Turkey

**10.11 Place of Jurisdiction:** All Parties to this Agreement (except for the non-merchant natural persons) accept that İstanbul Çağlayan Courts and Execution Offices shall be authorized for all disputes arising out of or in connection with this Agreement and its schedules without prejudice to the powers of legally competent courts and execution offices.

**10.12 MBSA:** For the matters of which this Agreement contains no provision, the provisions of the current Main Banking Services Agreement shall be applied between the Parties.

This Agreement between the Borrower and the Bank whose names/titles and addresses stated below shall enter into force and remain in force upon the signature of this Agreement by both Parties in accordance with the

İşbu Sözleşme Türkçe ve İngilizce olarak imzalanmış olup; Türkçe metin ile İngilizce arasında uyumsuzluk olması durumunda Türkçe metin uygulanacaktır.

foregoing articles. The provisions of this Agreement shall remain in force, in addition to the existence of the Credit Limit allocated to the Borrower by the Bank, for so long as the Borrower's debt and obligations to the Bank arising from the credits opened in accordance with the terms and conditions contemplated in this Agreement, its schedules and other Financing Documents shall continue and remain outstanding.

This Agreement has been executed in both Turkish and English languages and in case of conflict between them, Turkish version shall prevail.

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**EK-A: CARİ HESAP KREDİSİ SÖZLEŞMESİ**

İşbu Cari Hesap Kredisi Sözleşmesi ("Ek Sözleşme"), 23/08/2016 tarihi ve Kİ 00000411 numaralı Genel Kredi Sözleşmesi ("GKS") ve diğer Finansman Belgelerine ek olarak, Banka ile TRANSLANTIC EXPLORATION MEDITERRANEAN INTERNATIONAL PTY LTD. MER. AVUSTRALYA TÜRKİYE ANKARA ŞUBESİ ("Kredi Alan") arasında aşağıdaki şartlar dahilinde 23/08/2016 tarihinde imzalanmıştır.

Taraflar, aşağıda belirtilen hususların Finansman Belgerinde belirlenen hususlar ile birlikte aynen ve eksiksiz olarak uygulanacağı, işbu Ek Sözleşmenin GKS'nin ayrılmaz bir parçası olduğu hususunda mutabıktır. İşbu Ek Sözleşmede yer almayan hususlarda GKS hükümleri geçerli olacaktır.

**1. KREDİYE İLİŞKİN ESASLAR**

- 1.1. Kredi'nin Limiti/Para Cinsi:** USD 30.000.000,00 (Yalnız/OtuzmilyonAmerikanDoları)
- 1.2.** Kredinin geri ödenen tutarları tekrar kullanılmayacaktır.
- 1.3.** Tarafların mutabakatıyla ve Kredi Limiti içinde kalmak kaydıyla Kredinin, Kredili cari hesap veya ödeme planı oluşturulmak suretiyle vadeli kredi şeklinde kullanılması kararlaştırılabilir. Bu kapsamda kullanılacak Kredi, cari hesap usulüyle değil, ödeme planına göre işleyecek, Krediyi ödeme planında belirlenen faiz, (varsa) komisyon oranları uygulanacak ve ödeme planı, anılan faiz ve (varsa) komisyon tutarlarını içerecektir. Kredi geri ödeme detayları ve faiz, komisyon oranları işbu sözleşmenin ayrılmaz bir parçası olan EK-Ödeme Planında belirtildiği şekilde olacaktır.
- 1.4. Erken Geri Ödeme:** İşbu Ek Sözleşme kapsamında kullanılan Kredi'nin GKS'nin 2.08. maddesi kapsamında tamamının veya bir kısmının Kredi Alanın özkaynakları ile erken geri ödemesi durumunda Kredi Alan, kalan Kredi anapara tutarı üzerinden yıllık % 0.5 (yüzdesıfırvirgölbeş) oranında, Kredinin kredi kullanılarak erken geri ödemesi durumunda, Kredi Alan, kalan Kredi anapara tutarı üzerinden yıllık %2(yüzdeiki) komisyonunu Bankaya ödeyecektir.

**SCHEDULE-A: CURRENT ACCOUNT LOAN AGREEMENT**

This Current Account Loan Agreement ("Supplemental Agreement") has been signed on 23/08/2016 by and between the Bank and TRANSLANTIC EXPLORATION MEDITERRANEAN INTERNATIONAL PTY LTD. MER. AVUSTRALYA TÜRKİYE ANKARA ŞUBESİ (the "Borrower") in accordance with the following conditions, as an annex to the General Credit Agreement ("GCA") dated 23/08/2016 and numbered Kİ 00000411 and other Financing Documents.

The Parties agree that the following issues shall be applied in kind and absolute manner together with the issues specified in the Financing Documents, and this Supplemental Agreement shall constitute an integral part of the GCA. For the issues not covered by this Supplemental Agreement, the provisions of the GCA shall apply.

**1. CONDITIONS OF THE CREDIT**

- 1.1. Limit of Credit/Currency:** 30.000.000,00-USD (only/thirtymillionAmericanDollars)
- 1.2.** Any repaid amounts will not be reallocated.
- 1.3.** Subject to the mutual agreement of Parties and subject to remain within the Credit Limit, Parties may agree that the Credit isutilised as a term loan by granting a credited current account or payment plan. The utilised Credit to be utilized in this scope should be granted in accordance with the payment plan procedure instead of current account procedure. Interest rate and commission rates (if any) determined in the payment plan shall be applicable for the Credit and payment plan shall include the interest rate and commission rates (if any). The repayment details and interest, commission rates shall be as stated in the ANNEX- Payment Plan which is an integral part of this Agreement.
- 1.4. Early Repayment:** In case the Credit which is granted under this Supplemental Agreement is fully or partially repaid early by the equity of the Borrower under Article 2.08 of the GCA, the Borrower shall pay the Bank an annual commission of 0.5% (pointfivepercent) upon the outstanding Principal and.if the Credit is repaid early by utilizing a credit, the Borrower shall pay an annual commission of 2% (twopercent) upon the outstanding Principal.

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No: 10 06700 GOP/Çankaya/ANKARA/TURKEY  
Tel: 0312 989 19 50 Fax: 0312 939 19 98  
Ulus V.D. 622 001 8928 Tic.Sic.No: 383993

**1.5. Kredi Kullanım Amacı:** İşbu Ek Sözleşme çerçevesinde Kredi Alana kullanılacak Kredi, Kredi Alanın kendisi ve Grubuna (işbu Ek Sözleşme kapsamında "Grup" Transatlantic Exploration Mediterranean International Pty Ltd.Mer.Avustralya Türkiye Ankara Şubesi, Talon Exploration Ltd (Merkezi: Bahama Adaları)-Türkiye Ankara Şubesi, Dmlp Ltd (Merkezi: Bahama Adaları)Türkiye Ankara Şubesi, Transatlantic Turkey Limited Şirketi Türkiye-Ankara Şubesi) ait hali hazırda BNP Paribas (Suisse) SA ve International Finance Corporation konsorsiyum tarafından kullanılmış olan kredilerin refinansmanı ve işletme sermayesi ihtiyacı amacı ile kullanılacaktır.

## 2. NAKİT AKIŞI VE ÖDEMELER

**2.1.** Kredi Alan, Kredi ilişkisinin devamı boyunca, kendisine ve Grubuna ait nakit akışlarının, işlem hacminin ve Kredi geri ödemelerinin aşağıda belirtilen şekilde Bankadaki hesapları aracılığı ile gerçekleştirileceğini, bu hususun Banka tarafından Krediyeye ilişkin detayların belirlenmesinde ve Kredinin devamlılığının sağlanmasında esaslı bir unsur teşkil ettiğini bildiğini kabul ve taahhüt eder. Bu doğrultuda Kredi Alan,

- i. Grubun petrol faaliyetleri ile ilgili nakit akışının tümünün Banka üzerinden yapılacağını,
- ii. EFT, POS, havale, çek, doğrudan borçlandırma sistemi, nakit, fatura, ihracat, kredi kartı, SGK, vergi ve diğer yollar ile gerçekleştirdiği tüm Türk lirası ve döviz cinsi ile yapılacak tahsilatların ve/veya ödemelerin tamamının Bankadaki hesaplara yapılacağını ve tahsilatlarda ve/veya ödemelerde Bankanın nakit yönetimi tahsilat ve ödeme sistemlerinin kullanılacağını,
- iii. Herhangi bir ek talepte bulunmadan veya şart ileri sürmeden, Temmuz 2017'de sona erecek maaş anlaşmasının bitimi ile istihdam ettiği/edeceği tüm personelin maaş ödemesi işlemlerini Banka aracılığıyla ve promosyonsuz olarak nakit kredili çalıştığı sürece gerçekleştireceğini,
- iv. Sigorta işlemlerinin (Hayat Dışı, Hayat ve Ferdi Kaza) ve Bireysel Emeklilik işlemlerinin tamamını, en iyi gayret bazında Bankanın acenteliğini yapmakta olduğu sigorta ve emeklilik şirket(ler)i aracılığı ile gerçekleştireceğini,

**1.5. Purpose of Credit Utilization:** The credit to be granted to the Borrower within the framework of this Supplemental Agreement shall be granted for refinance of the credits granted to the Borrower and its Group (the "Group" in this Supplemental Agreement refers to Transatlantic Exploration Mediterranean International Pty Ltd Avustralya Türkiye Ankara Şubesi, Talon Exploration Ltd (Merkezi: Bahama Adaları) Türkiye Ankara Şubesi, Dmlp Ltd (Merkezi: Bahama Adaları) Türkiye Ankara Şubesi, Transatlantic Turkey Limited Şirketi Türkiye- Ankara Şubesi) by BNP Paribas (Suisse) SA and International Finance Corporation consortium and for working capital requirement.

## 2. CASH FLOW AND PAYMENTS

**2.1.** Borrower accepts and undertakes that, cash flows and business volume and credit repayments of the Borrower and its Group shall be carried out through its accounts in the Bank in the manner specified below over the course of its Credit relationship; and it acknowledges that this process shall constitute a material fact in determining the details of the Credit by the Bank and ensuring the continuation of the Credit. Within this scope Borrower declares, accepts and undertakes that:

- i. All the cash flow regarding the petroleum activities of the Group shall be made over the Bank.
- ii. All of electronic funds transfer, point of sale, transfer, cheque, direct debiting system, cash, invoice, export, credit card, Social Security Institution ("SSI"), tax and payments and collections in Turkish Lira and foreign currency in any other different ways shall be made via Borrower's accounts held in the Bank and the cash management collection and payment system of the Bank shall be used in all collections and/or payments.
- iii. All salary payment transactions of all employees, already employed/will be employed by the Borrower shall be made via Bank by the termination of the salary payment agreement in July, 2017 and without promotion and without any additional request or stipulation by the Borrower so long as it works by cash credit,
- iv. All insurance transactions (Non-Life, Life and Personal Accident) and individual pension transactions shall be made on the best effort base via insurance company(ies) and pension company(ies) which the Bank is the agency of.

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<p>v. Türev ve hazine işlemlerini en iyi gayret bazında öncelikle Banka aracılığı ile gerçekleştireceğini,</p> <p>vi. Leasing işlemlerini öncelikle ve en iyi gayret bazında Deniz Finansal Kiralama A.Ş. aracılığı ile gerçekleştireceğini,</p> <p>vii. Faktoring işlemlerini öncelikle ve en iyi gayret bazında Deniz Faktoring A.Ş. aracılığı ile gerçekleştireceğini,</p> <p>Kabul, beyan ve taahhüt eder.</p> <p>2.2. Yukarıda sayılan bankacılık hizmetleri kapsamında Banka tarafından gerçekleştirilecek olan havale, EFT, para transferi, TL/YP teminat mektubu, akreditif, SWIFT mesajı, vesaik/mal mukabili ithalat, peşin ithalat, vesaik/mal mukabili ihracat, peşin ihracat, kabul kredisi, çek ve senet tahsili, döviz alım satım, çek/senet tehsil işlemleri ve bunlarla sınırlı olmaksızın ilgili her türlü işlem masraf, ücret ve komisyon tarifesi Banka tarafından Kredi Alana işbu Sözleşmenin imzasından itibaren 1 (bir) ay içinde ve her halükarda ilk işlem tarihine kadar bildirilecek olup, Banka tarafından herhangi bir bildirimde bulunulmaması durumunda Bankanın cari masraf, ücret ve komisyon tarifesi geçerli olacaktır.</p> <p>2.3. Kredi Alan, mevcut limitleri kapsamında bulunan her türlü kredili bankacılık işlemi ile ilgili taleplerini öncelikli olarak Bankaya ileteceğini, Bankanın bu işlemi yapmayı kabul etmemesi halinde diğer kuruluşlara başvuracağını Kabul, beyan ve taahhüt eder.</p> <p>2.4. Banka, kredi ilişkisinin devamı boyunca, her cari yılsonunda işbu 2. madde hükümlerinin yerine getirilip getirilmediğini kontrol edecektir. Kredi Alanın, işbu madde hükümlerini ihlal etmesi halinde ve Banka tarafından bildirim yapılması kaydıyla ihlal tarihi itibarıyla kalan anapara bakiyesi üzerinden yıllık %2 (yüzdeiki) oranında hesaplanacak cezai komisyon Kredi Alan hesaplarındaki bakiyeden tahsil edilecektir. Banka, faiz ve döviz piyasalarının olağandışı dalgalanmalar gösterdiği dönemlerde, piyasada işbu madde kapsamında belirlenecek ücret ve komisyonlara ait oran ve tutarlarda işlem gerçekleştiremezse, mevcut piyasa şartlarını dikkate alarak bu oran ve tutarları yeniden belirleyecektir.</p>	<p>v. Derivative and treasury transactions shall be primarily made on the best effort base via Bank.</p> <p>vi. Leasing transactions shall be primarily and made on the best effort base via Deniz Finansal Kiralama A.Ş..</p> <p>vii. Factoring transactions shall be primarily and made on the best effort base via Deniz Faktoring A.Ş..</p> <p>2.2. Bank shall notify the Borrower within 1 (one) month from the signing date of this Supplemental Agreement and in any case until the first transaction date the cost, fee and commission tariff of, including but not limited with transfer, electronic funds transfer, money transfer letter of guarantee in Turkish Lira/foreign currency, letter of c�redit, SWIFT message, import against document/good, import in cash, export against document/good, export in cash, acceptance credit, cheque and bill collection, purchase and sale of foreign currency, and any other transactions. Bank's current cost, fee and commission tariff shall be applicable in case of the Bank's failure to notify the Borrower</p> <p>2.3. 2.3. The Borrower accepts, declares and undertakes that it shall first inform the Bank of its request on any type of banking credit transactions within its available limits and shall apply to other institutions if the Bank declines to conduct such transaction.</p> <p>2.4. The Bank shall control the fulfillment of the provisions of article 2 at the end of each current year over the course of the Credit relationship. If the Borrower breaches any provision of this article, a penalty fee of 2% (two percent) to be annually charged on the outstanding principal balance as of the date of breach shall be collected from the amounts in its accounts by a notice to be served to the Borrower. If the Bank is unable to conduct any transaction in the market at the rates and amounts of the fees and commissions to be set forth under this article due to the extraordinary fluctuations in the interest and foreign exchange markets, the Bank may re-determine such rates and amounts by taking the prevailing market conditions into account.</p>
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### 3. TAAHHÜTLER

- 3.1. Kredi Alan, Bankanın yazılı ön izni olmadan aktifleri, gelirleri ya da malvarlığının tamamı ya da herhangi bir bölümü ile ilgili veya bunlar üzerinde herhangi bir takyidat veya sınırlama yaratmayacağını taahhüt eder. Kredi Alan, Bankanın yazılı ön izni olmadan hiç kimse lehine açık veya zımnî kefil olmayacak (işbu Kredinin teminatı olarak verilen kefaletnameler hariç olmak üzere) veya garanti vermeyecektir.
- 3.2. Kredi Alan, Bankanın yazılı ön izni olmadan, malvarlığında azalmaya yol açacak, faaliyetlerini engelleyecek, imkânsız kılacak veya Esaslı Olumsuz Etki yaratacak şekilde varlıklarının veya gelirlerinin herhangi bir bölümünü veya tamamını satmayacak ve satılmasına müsaade etmeyecek, devretmeyecek veya bunlar üzerinde başka şekilde tasarrufta bulunmayacaktır.
- 3.3. Kredi Alan, Bankanın yazılı ön izni olmadan gerek yurtiçi gerekse de yurtdışındaki finansal kurum ve/veya kuruluşlara borçlanamayacağını veya lehlerine teminat vermeyeceğini ve Grup ve/veya İştiraklerini de (işbu Ek Sözleşme kapsamında "İştirakler" Amity Oil. Int. Pty. Ltd. Merkezi Avustralya Türkiye Ankara Şubesi ve Petrogas Petrol Gaz ve Petrokimya Ürünleri İnş. San. Ve Tic. A.Ş.'dir) gerek yurtiçindeki gerekse de yurtdışındaki finansal kurum ve/veya kuruluşlara borçlanmayacağını Kabul ve taahhüt eder.
- 3.4. Kredi Alan, Bankanın yazılı ön izni olmadan, ortaklık yapısında doğrudan veya dolaylı herhangi bir kontrol değişiklik meydana gelmeyeceğini Kabul ve taahhüt eder. İşbu madde kapsamında "**Kontrol**" herhangi bir kişinin,
- (i) sermayesinin %50' sinden (yüzde elli) fazlasına doğrudan veya dolaylı olarak sahip olmasını; veya
- (ii) yukarıda (i) bendinde sayılan koşul aranmaksızın imtiyazlı hisseler, oy anaşmaları veya sair surette oy hakkının çoğunluğunu elinde bulundurmasını; veya
- (iii) yukarıda (i) bendinde sayılan koşul aranmaksızın herhangi bir suretle yönetim kurulu üyelerinin karara esas çoğunluğunu atayabilme ya da görevden alma gücünü elinde bulundurmasını ifade eder.

### 3. COMMITMENTS

- 3.1. The Borrower undertakes that it will not lead to any encumbrance or limitation related to or on its assets, revenues or all of its wealth or any part of its wealth without the pre-approval of the Bank in writing. The Borrower shall not be surety for anyone, either express or implied basis, without the pre-approval of the Bank in writing. (excluding the surety bonds provided as collateral of this Credit)
- 3.2. The Borrower shall not sell transfer any part of its assets or revenues or entire assets or revenues in a way that will lead to decrease in wealth, prevent/ preclude its activities or create Material Negative Impact and it will not allow that they are sold, or it will not make any disposition on them in any other way.
- 3.3. The Borrower accepts and undertakes that it cannot borrow from financial institutions and/or organizations within the country or abroad or provide collateral in their favour and the Group and/or its Subsidiaries (in this Supplemental Agreement, "Subsidiaries" refer to Amity Oil. Int. Pty. Ltd. Merkezi Avustralya Türkiye Ankara Şubesi and Petrogas Petrol Gaz and Petrokimya Ürünleri İnş.San. ve Tic.A.Ş.) cannot borrow from financial institutions and/or organizations in the country or abroad without the pre-approval of the Bank in writing.
- 3.4. The Borrower accepts and declares that there will not be any direct or indirect control changes in the shareholding structure without the pre-approval of the Bank in writing. For the purposes of this article, "Control" shall refer to;
- (i) any individual directly or indirectly owning more than 50% (fiftypercent) of the capital
- (ii) regardless of the condition in the above (i) subparagraph, any individual holding privileged shares, voting agreements or majority of the voting rights or
- (iii) regardless of the condition in the above (i) subparagraph, any individual holding the power to appoint or remove from office the decision-taking majority of members of the board of directors

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3.5. kredi Alan işbu Ek Sözleşmenin imza tarihinden itibaren en geç 30 (otuz) İş Günü içerisinde işbu TÜRPAŞ ve Türkiye Petrolleri A.O.'ya yapılan ve/veya yapılacak olan satışından elde edilecek gelirleri Bankaya temlik edecek olup, temlik edilmesi için noter onaylı Alacak Temlik Sözleşmesini imzalayıp gerekli tüm işlemleri yerine getireceğini kabul ve taahhüt eder.

3.6. Kredi Alan, işbu Ek Sözleşmenin imza tarihinden itibaren en geç 60 (altmış) İş Günü içerisinde;

3.6.1. Transatlantic Exploration Mediterranean International Pty Ltd.'nin mevcut sermayesinin % 100'ünü (yüzde yüzünü) temsil eden beheri 0 USD nominal değere sahip toplam 5,000 adet,.....'nin kayıtlarına göre her türlü tasarruf hakkı ve mülkiyeti sadece Transatlantic Worldwide Ltd'ye ait olan hisselerin tamamı üzerindeki rehin hakkını, Banka lehine birinci dereceden, Hisse Rehin Sözleşmesi imzalamak suretiyle Banka lehine tesis edecektir.

3.6.2. Talon Exploration Ltd.'nin mevcut sermayesinin % 100'ünü (yüzde yüzünü) temsil eden beheri 1 USD (1 Amerikan Doları) nominal değere sahip toplam 1,000 adet, .....'nin kayıtlarına göre her türlü tasarruf hakkı ve mülkiyeti sadece Transatlantic Worldwide Ltd'ye ait olan hisselerin tamamı üzerindeki rehin hakkını, Banka lehine birinci dereceden, Hisse Rehin Sözleşmesi imzalamak suretiyle Banka lehine tesis edecektir.

3.6.3. Dmlp Ltd.'nin mevcut sermayesinin % 100'ünü (yüzde yüzünü) temsil eden beheri 1 USD (1 Amerikan Doları) nominal değere sahip toplam 1,000 adet, .....'nin kayıtlarına göre her türlü tasarruf hakkı ve mülkiyeti sadece Transatlantic Exploration Mediterranean International Pty Ltd.'ye ait olan hisselerin tamamı üzerindeki rehin hakkını, Banka lehine birinci dereceden, Hisse Rehin Sözleşmesi imzalamak suretiyle Banka lehine tesis edecektir.

3.5. The Borrower shall assign the revenues to be obtained from the sale made and/or to be made to TÜRPAŞ and Türkiye Petrolleri A.O to the Bank within 30 (thirty) Business days at the latest as of the date of signing this Supplemental Agreement and it accepts and undertakes that it will sign the notarized Agreement on the Assignment of Receivables and carry out all necessary transactions for assignment.

3.6. Within 60 (sixty) business days at the latest as of the date of signing this Supplemental Agreement;

3.6.1 The Borrower shall sign Share Pledge Agreement and allocate right of pledge on entire shares with all kinds of disposition and ownership belonging to only Transatlantic Worldwide Ltd according to ..... records for a total of 5,000 shares with each one having a nominal value of 0 USD (ZeroAmericanDollars) representing 100% (one hundred per cent) of the current capital of Transatlantic Exploration Mediterranean International Pty Ltd in favor of the Bank from first degree.

3.6.2. The Borrower shall sign Share Pledge Agreement and allocate right of pledge on entire shares with all kinds of disposition and ownership belonging to only Transatlantic Worldwide Ltd according to ..... records for a total of 1,000 shares with each one having a nominal value of 1 USD (OneAmericanDollar) representing 100% (one hundred per cent) of the current capital of Talon Exploration Ltd. in favor of the Bank from first degree.

3.6.3. The Borrower shall sign Share Pledge Agreement and allocate right of pledge on entire shares with all kinds of disposition and ownership belonging to only Transatlantic Worldwide Ltd according to ..... records for a total of 1,000 shares with each one having a nominal value of 1 USD (OneAmericanDollar) representing 100% (one hundred per cent) of the current capital of Dmlp Ltd. in favor of the Bank from first degree.

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<p><b>3.6.4.</b> Transatlantic Turkey Ltd.'nin mevcut sermayesinin % 99.9'unu (yüzde doksan dokuz nokta dokuzunu) temsil eden beheri 0.99 USD (Sıfırmoktadokuz Amerikan Doları) nominal değere sahip toplam 999 adet, .....'nin kayıtlarına göre her türlü tasarruf hakkı ve mülkiyeti sadece Transatlantic Worldwide Ltd ve % 0.1'ini (yüzde sıfırmoktabirini) temsil eden beheri 0.01 USD (Sıfırmoktasıfırbir Amerikan Doları) nominal değere sahip toplam 1 adet, .....'nin kayıtlarına göre her türlü tasarruf hakkı ve mülkiyeti sadece TransAtlantic Petroleum (USA) Corp.'a ait olan hisselerin tamamı üzerindeki rehin hakkını, Banka lehine birinci dereceden, Hisse Rehin Sözleşmesi imzalamak suretiyle Banka lehine tesis edecektir.</p> <p><b>3.7.</b> Kredi Alan, Ankara Ticaret Sicil Müdürlüğüne 383993 sicil numarasında kayıtlı olan ticari işletmenin ticaret unvanları ve işletme adları ile işletmelerin faaliyetlerine tahsis edilmiş makine, araç, alet ve motorlu nakil araçları ile ihtira beratları, markalar, modeller, resimler ve lisanslar gibi sınai hakları ile işletmelerin sair biçimle aktifleri üzerinde banka lehine asgari 150.000.000,00-TL (yüzeellimilyonTürkLirası) tutarında hali hazırda BNP Paribas (Suisse) SA lehine tesis edilmiş olan ticari işletme rehninden sonra gelmek üzere ve serbest dereceden istifade kaydıyla ikinci sıradan ticari işletme rehnini tesis etmeyi ve tesis edilebilmesi için ticari işletme rehin sözleşmesi dahil fakat bunlarla sınılı olmamak üzere hazırlanan tüm dokümantasyonu eksiksiz ve gereği gibi imzalamayı kabul, beyan ve taahhüt eder. Kredi Alan, aynı zamanda işbu Ek sözleşmenin imzalanmasını takiben en geç 30 (otuz) İş Günü içerisinde bahsi geçen Ticaret Sicil Müdürlüğüne 383993 sicil numarasında kayıtlı olan ticari işletme üzerinde BNP Paribas (Suisse) SA lehine tesis edilmiş olan ticari işletme rehnini fek etmeyi ve işbu maddede uyarınca Banka lehine ikinci dereceden tesis edilen rehini birinci dereceye çıkaracağını kabul ve taahhüt eder.</p> <p><b>3.8.</b> Kredi Alan, işbu Ek Sözleşmenin I(...) numaralı ekinde yer alan gayrimenkuller üzerinde Banka lehine birinci dereceden ipotek tesis etmeyi kabul, beyan ve taahhüt eder.</p>	<p><b>3.6.4</b> The Borrower shall sign Share Pledge Agreement and allocate right of pledge on entire shares with all kinds of disposition and ownership belonging to only Transatlantic Worldwide Ltd according to ..... records for a total of 999 shares with each one having a nominal value of 0.99 USD (ZeropintinetynineAmericanDollars) representing 99.9% (ninetynine point nine per cent) of the current capital of Transatlantic Turkey Ltd. in favor of the Bank from first degree and total of 1 shares with each one having a nominal value of 0.01 (zeropointoneAmericandollars) representing 0.1% (zeropointone per cent) of the current capital of Transatlantic Turkey Ltd. in favor of the Bank from first degree.</p> <p><b>3.7.</b> The Borrower accepts, declares and undertakes to establish second lien commercial enterprise pledge after the commercial enterprise pledge established in favour of BNP Paribas (Suisse) SA and with unencumbered level of enjoyment right at the minimum amount of 150.000.000.00 TL (onehundredfiftymillionTurkishLiras) in favor of the Bank on the commercial titles and trade names of the commercial enterprise registered at Ankara Trade Registry Office with 383993 trade registration number and on all machinery, tools, equipment and motor vehicles allocated to the activities of these enterprises and on their industrial rights such as patent rights, trademarks, models, licenses and images as well as on all other assets of these enterprises; and to sign all prepared documents including but not limited to the Commercial Enterprise Pledge Agreement in a proper and complete manner to enable such pledges to be established. The Borrower accepts and undertakes to release the commercial enterprise pledge established in favour of BNP Paribas (Suisse) SA on the commercial enterprise registered in Ankara Trade Registry Office with 383993 trade registration number and ensure that the second lien pledge established in favour of the Bank under this article is qualified as first lien pledge within 30 (thirty) business days at the least as of the date of signing this Supplemental Agreement.</p> <p><b>3.8</b> The Borrower accepts, declares and undertakes to establish first lien mortgage on the real estates stated in Annex... (..) of this Supplemental Agreement in favour of the Bank.</p>
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**3.9.** Kredi Alan, işbu Ek Sözleşmenin 3.7'nci maddesinde bahsedilen ticari işletmesini ve işbu Ek Sözleşmenin 3.8'nci maddesinde bahsedilen gayrimenkulleri yangın, deprem gibi doğabilecek tüm rizikolara ve işbu Ek Sözleşmenin imzası tarihinden sonra ortaya çıkacak olan yeni risklerin teminat altına alınmasına ilişkin olarak Bankanın gerekli göreceği her türlü rizikolara karşı, banka lehine sigortalayacak ve bu sigorta poliçelerine ve (varsa) daha önceden düzenlenen ve banka tarafından uygun görülüp kabul edilen sigorta poliçeleri için düzenlenecek zeyilnamelere Bankayı dain-i mürtehin sıfatı olarak kayadettirecektir. Kredi Alan, yeni sigorta poliçelerini Bankanın uygun gördüğü şekil ve içerikte yapacaktır olup, (varsa) mevcut sigorta poliçelerini, Bankanın ilk yazılı talebi üzerine, Bankanın talep edeceği şekil ve içeriğe uygun hale getirecektir. Kredi Alan, daha önceden düzenlenen ve Banka tarafından uygun görülüp kabul edilen sigorta poliçelerinin vadesinin bitiminde, Bankanın acenteliğini yapmaktaki olduğu sigorta şirket(ler)i aracılığı ile gerçekleştirmeyi en iyi gayret bazında kabul ve taahhüt eder.

**3.10.** Transatlantic Exploration Mediterranean International Pty Ltd. Mer. Avustralya Türkiye Ankara Şubesi ve Talon Exploration Ltd (Merkezi: Bahama Adaları)-Türkiye Ankara Şubesi, Dmlp Ltd (Merkezi: Bahama Adaları) Türkiye Ankara şubesi, Transatlantic Turkey Limited Şirketi Türkiye -Ankara şubesi, Transatlantic Worldwide Ltd. ("Kredi Alan ile beraber müteselsil kefiller"), Finansman Belgeleri ve işbu Ek Sözleşmeye konu Kredinin anapara, faiz ve tüm ferileri ile birlikte geri ödenmesini, Kredi Alan ile beraber müteselsil kefil olarak tekeffül edecekler ve bu maksatla kefaletnamenin en geç işbu Ek Sözleşmenin imza tarihi itibariyle Kredi Alan ile beraber müteselsil kefiller tarafından imzalanmasını sağlamayı kabul ve taahhüt eder.

**3.11.** Kredi Alan, kendisi ve Grubun işbu Ek Sözleşmenin imzalanmasını takip eden 12 (oniki) aylık dönemde yapacağı yeni kuyu sondajı yatırımlarının sonuçları ile ilgili Bankaya bildirimde bulunacağını kabul ve taahhüt eder. Bildirimler, kuyu özellikleri, gerçekleşen yatırım miktarı, sondaj sonucunda herhangi bir üretim elde edilip edilmediği, üretim projeksiyonu ve rezervler üzerindeki etkisi gibi Bankanın talep edeceği bilgilerini içerecektir.

3 (üç) maddeden oluşan işbu Ek Sözleşme Taraflar arasında 2 (iki) nüsha olarak tanzim ve imza olunmuştur.

**3.9.** The Borrower shall insure in favor of the Bank the commercial enterprise specified in Article 3.7 of this Supplemental Agreement and all of the properties mentioned in Article 3.8 of this Supplemental Agreement against all risks that may arise, such as fire, earthquake, and against all types of risks that the Bank shall deem necessary to cover new risks that will arise after the signature date of this Supplemental Agreement, and it shall name the Bank as loss payee in these insurance policies as well as in the addendums to be issued for the previously issued insurance policies (if any) which are deemed appropriate and approved by the Bank. The Borrower shall cause the new insurance policies to be issued in the form and content deemed appropriate by the Bank, and upon first written request of the Bank, it shall cause the existing insurance policies (if any) to be customized to the form and content deemed appropriate by the Bank. In the expiry of the previously issued insurance policies which are deemed appropriate and approved by the Bank, the Borrower accepts and undertakes to maintain them on a best effort basis through the insurance companies of which the Bank acts as their agent.

**3.10.** Transatlantic Exploration Mediterranean International Pty Ltd. Mer. Avustralya Türkiye Ankara Şubesi and Talon Exploration Ltd. (Merkezi: Bahama Adaları)- Türkiye Ankara Şubesi, Dmlp Ltd (Merkezi: Bahama Adaları) Türkiye- Ankara Şubesi, Transatlantic Turkey Limited Şirketi Türkiye- Ankara Şubesi, Transatlantic Worldwide Ltd. ("Co-Sureties with the Borrower") shall warrant the repayment of the principal, interest and all accessory obligations of the Credit subject to this Supplemental Agreement and the Financing Documents as a co-surety with the Borrower, and for such purpose, the Borrower shall ensure the Surety Agreement is signed by the Co-Sureties with the Borrower at the latest on the signature date of this Supplemental Agreement.

**3.11** The Borrower accepts and undertakes that it will inform the Bank about the results of the new drilling investments that it will make in a period of 12 (twelve) months following the date of signing this Supplemental Agreement. Such information shall include information to be requested by the Bank such as characteristics of the well, the amount of the investment made, whether there has been any production as a result of the bore or not, if there has been any production, the production projection and impact on the reserves.

This Supplemental Agreement is formed from 3 (three) Articles and duly executed between the Parties as a 2 (two) copy.

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<b>KREDİ ALAN</b> TRANSATLANTIC EXPLORATION MEDİTERRANEAN INTERNATIONAL PTY LTD. MER. AVUSTRALYA TÜRKİYE ANKARA ŞUBESİ	
<b>Sicil (veya Oda Numarası):</b>	383993 Ankara Ticaret Sicil Müdürlüğü
<b>İnternet Sitesi:</b>	
<b>Telefon Numarası:</b>	312 – 939 1976
<b>Adres:</b>	Sheraton Ankara Otel ve Kongre Merkezi Boğaz Sokak No:10 Gaziosmanpaşa Posta Kodu:06700 Çankaya / Ankara
<b>İmza:</b>	TRANSATLANTIC EXP. MED. INT. PTY. LTD MERKEZİ AVUSTRALYA TÜRKİYE ANKARA SUBESİ Sheraton Ankara Otel ve Kongre Merkezi Boğaz sokak No: 10 06700 GOP/Çankaya/ANKARA/TURKEY Tel: 0312 989 19 50 Fax: 0312 939 19 98 Ulus V.D. 622 001 8928 Tic.Sic.No: 383993
<b>Ad:</b>	
<b>Unvan:</b>	

<b>BORROWER</b> TRANSATLANTIC EXPLORATION MEDİTERRANEAN INTERNATIONAL PTY LTD. MER. AVUSTRALYA TÜRKİYE ANKARA ŞUBESİ	
Registered Trade Registry Office/ Registry Number:	383993 Ankara Ticaret Sicil Müdürlüğü
Website	
Phone number	312 – 939 1976
Address	Sheraton Ankara Otel ve Kongre Merkezi Boğaz Sokak No:10 Gaziosmanpaşa Posta Kodu:06700 Çankaya / Ankara
Signature	TRANSATLANTIC EXP. MED. INT. PTY. LTD MERKEZİ AVUSTRALYA TÜRKİYE ANKARA SUBESİ Sheraton Ankara Otel ve Kongre Merkezi Boğaz sokak No: 10 06700 GOP/Çankaya/ANKARA/TURKEY Tel: 0312 989 19 50 Fax: 0312 939 19 98 Ulus V.D. 622 001 8928 Tic.Sic.No: 383993
Name	
Title:	

<b>BANKA DENİZBANK A.Ş.</b>	
<b>Sicil Numarası:</b>	368587/316169
<b>İnternet Sitesi:</b>	<a href="http://www.denizbank.com">www.denizbank.com</a>
<b>Telefon Numarası:</b>	444 0 800
<b>Adres:</b>	Büyükdere Cad. No:141 34394 Esentepe/İstanbul
İmza huzurunda atıldı ve müşteri bilgileri teyit edildi.	
<b>Ad Soyad:</b>	
<b>İmza:</b>	
<b>Unvan:</b>	
<b>Şube Adı:</b>	
<b>İmza Yetkili Ad Soyad</b>	
<b>Yetkili İmzalar</b>	

<b>BANK DENİZBANK A.Ş.</b>	
Trade Registry Number	368587/316169
Website	www.denizbank.com
Phone number:	444 0 800
Address:	Büyükdere Cad. No:141 34394 Esentepe/İstanbul
The signatures were fixed in my presence and customer information was confirmed.	
Name – Surname:	
Signature:	
Title:	
Branch:	
Name – Surname of the Authorized Signatory:	
Authorized Signatures:	

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İşbu Ek Sözleşmenin bir nüshası tarafıma teslim edilmiş olup, erken geri ödeme komisyonu dahil yukarıda belirtilen tüm hususlar talep ettiğim ve Banka ile mutabık kaldığım kredi esaslarına uygundur.

**KREDİ ALAN**

TRANSATLANTIC EXPLORATION  
MEDİTERRANEAN INTERNATIONAL PTY LTD.  
MER. AVUSTRALYA TÜRKİYE ANKARA ŞUBESİ

İmza:

/s/ N. Malone Mitchell, 3rd  
TRANSATLANTIC EXP. MED. INT. PTY. LTD  
MERKEZİ AVUSTRALYA TÜRKİYE ANKARA SUBESİ  
Sheraton Ankara Otel ve Kongre Merkezi Boğaz sokak  
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Ulus V.D. 622 001 8928 Tic.Sic.No: 383993

1 (one) copy of this Supplemental Agreement has been submitted to me. All the matters stated above including the early repayment commission, are in line with the credit principles I requested from the Bank and agreed with the Bank.

**BORROWER**

TRANSATLANTIC EXPLORATION  
MEDİTERRANEAN INTERNATIONAL PTY LTD.  
MER. AVUSTRALYA TÜRKİYE ANKARA ŞUBESİ

Signature:

/s/ N. Malone Mitchell, 3rd  
TRANSATLANTIC EXP. MED. INT. PTY. LTD  
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**Ek 1; İpotek Listesi**

**Annex 1; Mortgage List**

Sıra	Maliki	Parsel Sayısı	Tapu Sayısı	Ada/Pafta/Parsel	İl/İlçe/Köy/Mevki	İpotek Tutarı (TL)
	Ownership	Parcel #	Land Title #	Details	Location	Mortgage Value (TL)
1	GÜNDEM TURİZM	Tekli	1	PARSEL: 1930	TEKİRDAĞ / MURATLI / BALLICA KÖYÜ / DEĞİRMEN YOLU	14,000,000
2	SELAMİ ERDEM URAS	Çoklu/müşterek	6	PARSEL: 62 PARSEL: 292 PARSEL: 293 PARSEL: 294 PARSEL: 296 PARSEL: 97	DİYARBAKIR / KAYAPINAR / ÇÖLGÜZELİ / HAVER	46,000,000
3	GÜNDEM TURİZM	Tekli	1	ADA: 928 - PARSEL NO: 3	MUĞLA / BODRUM / ESKİ ÇEŞME MH / KÖSEBÜKÜ	63,000,000
4	PETROGAS	Çoklu/müşterek	3	ADA: 528 - PARSEL NO: 19 ADA: 528 - PARSEL NO: 20 ADA: 528 - PARSEL NO: 60	TEKİRDAĞ / SÜLEYMANPAŞA / YAVUZ MH	1,000,000
5	TEMİ	Tekli	1	ADA: 107 - PARSEL NO: 26	EDİRNE / SÜLOĞLU GEÇKİNLİ KÖYÜ / ÖKÜZCÜK PINARI	1,000,000
6	PETROGAS	Tekli	1	PARSEL NO: 786	TEKİRDAĞ / SARAY GÖÇERLER / SARAY YOLU	1,000,000
7	PETROGAS	Çoklu/müşterek	5	ADA: 1877 - PARSEL NO: 76 ADA: 1970 - PARSEL NO: 15 ADA: 1970 - PARSEL NO: 16 ADA: 2046 PARSEL NO: 19 ADA: 2465 PARSEL NO: 8	TEKİRDAĞ / SÜLEYMANPAŞA AYDOĞDU MH	3,000,000
8	PETROGAS	Tekli	1	ADA: 1948 PARSEL NO: 10	TEKİRDAĞ / SÜLEYMANPAŞA ESKİ CAMİ / Büyük Donlu	1,000,000
9	PETROGAS	Çoklu/müşterek	2	ADA: 180 PARSEL NO: 4 ADA: 2593 PARSEL NO: 5	TEKİRDAĞ / SÜLEYMANPAŞA / GÜNDOĞDU	5,000,000
10	PETROGAS	Tekli	1	ADA: 33 PARSEL NO: 6	TEKİRDAĞ / HAYRABOLU / HİSAR / ARPALIK	2,500,000
11	PETROGAS	Tekli	2	ADA: 186 PARSEL NO: 8 ADA: 216 PARSEL NO: 10 ADA: 105 PARSEL NO: 1	TEKİRDAĞ / HAYRABOLU İLYAS / ESKİBAĞLAR	2,500,000
12	PETROGAS	Çoklu/müşterek	4	PARSEL NO: 529 PARSEL NO: 530 PARSEL NO: 2171	TEKİRDAĞ / SÜLEYMANPAŞA YAĞCI MAHALLESİ	9,000,000
13	PETROGAS	Tekli	1	ADA: 2556 PARSEL NO: 4	TEKİRDAĞ / SÜLEYMANPAŞA ZAFER / ORTAKOL	1,000,000
<b>Toplam</b>						<b>150,000,000</b>

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**Ek-2 Ödeme Planı****Annex-2 Payment Plan****Details of The Line**

Amount	USD 30 Mio
Payment Schedule	Monthly Installments
Tenor	18 months
Interest Rate	%5.25 All-in and fixed

**Payment Schedule**

	Principal Payment	000 USD
1	Installment	1,250
2	Installment	1,250
3	Installment	1,250
4	Installment	1,250
5	Installment	1,250
6	Installment	1,250
7	Installment	1,875
8	Installment	1,875
9	Installment	1,875

	Principal Payment	000 USD
10	Installment	1,875
11	Installment	1,875
12	Installment	1,875
13	Installment	1,875
14	Installment	1,875
15	Installment	1,875
16	Installment	1,875
17	Installment	1,875
18	Installment	1,875
	Total	30,000

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Tel: 0312 989 19 50 Fax: 0312 939 19 98  
Ulus V.D. 622 001 8928 Tic.Sic.No: 383993

TRANSATLANTIC PETROLEUM LTD.  
 CALCULATION OF RATIO OF EARNINGS TO FIXED CHARGES  
 (in thousands, except ratios)

	Nine Months Ended September 30, 2016	
<b>Earnings available for fixed charges:</b>		
Loss from continuing operations before income taxes	\$	(10,926)
Interest expense		9,106
Portion of rent expense representing interest		-
Earnings available for fixed charges		(1,820)
<b>Fixed charges:</b>		
Interest expense		9,106
Portion of rent expense representing interest		-
Fixed charges		9,106
Ratio of earnings to fixed charges		-
Coverage deficiency		20,032

## 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.

November 9, 2016

/s/ N. Malone Mitchell 3rd  
N. Malone Mitchell 3rd  
Chief Executive Officer

## CERTIFICATION

I, Christopher R. Elmore, 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.

November 9, 2016

/s/ Christopher R. Elmore  
Christopher R. Elmore  
Principal Accounting and  
Financial Officer

**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:

This Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 (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 represents, in all material respects, the financial condition and results of operation of the Company as of, and for, the periods presented in the Form 10-Q.

Date: November 9, 2016

/s/ N. Malone Mitchell 3rd  
N. Malone Mitchell 3rd  
Chief Executive Officer

/s/ Christopher R. Elmore  
Christopher R. Elmore  
Principal Accounting and 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.

