



H. Güntekin Köksal

Pet Holding was the first Turkish company to own oil fields and development rights in Azerbaijan, Kazakhstan, Northern Iraq and Yemen. The company was founded in 1974 under the name by H. Güntekin Köksal.

Could you please introduce your company and your involvement in the industry to our readers?

Petoil is a branch company, 100 percent held by Pet Holding. I established Pet Holding. It is a family company and it has operated in the sector for 34 years. I established Pet Holding after quitting TPAO. It started as an engineering company. After some time the group started to grow; we had nine companies in the 1980s and in the 1990s we had 24 companies in the group. But then we decided to follow a different strategy and we reduced the number of the group's companies to eight. We have been working in different fields like oil, construction, tourism, real estate, mining etc. Petoil itself was established in 1979. In 1986, we had a Turkish production licence; the oil which had been found by Shell was very heavy, between 11 and 13 degrees API. It was not commercial. Afterwards Shell left and we entered the field. But that was the time that Kurdish terrorism started in the South East and as a result we had to leave. In 1989, we started to operate in the Soviet Union, Azerbaijan and Kazakhstan. We also worked on other large fields in partnership with TPAO. We left and obtained another concession in Karakuduk, Kazakhstan. We operated there for five years. Afterwards we moved to Azerbaijan, we worked for 14 years on two fields there, which contained nearly 700 wells. In 2002, we left Azerbaijan and entered Northern Iraq. We were invited by Mr. Talabani. Before going there, I contacted all of our ministries and authorities including the army. I was supported by all the authorities I contacted. We now have licenses in Pulkhana and Sakalp and another one in Bina Wabi.

Can you tell us about Bina Wabi? Had it already been drilled before you went there?

There were some drilled places but they had been abandoned. Saddam Hussein did not allow Kurdish people to continue the work. He kept the Kurds under his control. We found good oil in Pulkhana. We were told that it was a disputed area between Arabs and Kurds and we had to move to Sakalp. We are now making geological and geophysical surveys and are also shooting seismic all across our license region.

Looking for black gold abroad

TOGY talks to Prof. Dr. H.Güntekin Köksal, President PET Holding

We are very optimistic. I have been a petroleum engineer for 50 years and I have never seen such an interesting place. In June or July we are going to start drilling in Bina Wabi. In Sakalp-Pulkhana we have had some disputes. During this time, we were invited by Yemen. 10 years ago we were also invited by the Sudan but it was too risky to go there. We were given an excellent field in Yemen. We are shooting seismic now and in the second half of 2008, we will start drilling operations. We have got some interesting fields in Turkey too, on the Black Sea region, where we have over seven concessions. We also have two concessions on the Turkey-Syria border. In Northern Iraq, we are at the exploration stage. Even if we are producing there, there is no possibility to export the hydrocarbons, because the regional government is not accepted by Turkey. There are some problems between the Arabs and Kurds as well but we hope they will be resolved. Our Yemen concession is also very interesting.

Is that Block Number 3?

Yes, you are right. In Block Number 3, the oil is found in granite structures. That is the first time in the world that oil has been found in granite. It has come from deep sections. We are working there with a Saudi partner. From the neighbouring concessions they produce 8 to 12,000 barrels per well per day. We have similar prospects in Pulkhana and Sakalp in Iraq.

Can you tell us about your mining activities?

We had baryte mining in Turkey and we have worked there for 25 years. It ended and we left. We started with Feldspar mining five or six years ago and we are planning to continue. We have also done some work in Turkey in the construction field. We built our own 7000 square meter central office and our own summer village in Datça. We have a lot of land there. Then we went to the Soviet Union where we constructed factories and houses, mostly in Siberia.

You have been an oil man since you started your career in TPAO. You have also developed and diversified your group to such an extent that in the

last few years, it seemed like other activities were taking over your oil activities. You have a very strong work programme like G&G and drilling programmes for 2008. It looks like oil is going to come back.

We were very brave to take all those risks. We also have exploration and production partners from America and Australia.

Which of your ventures do you expect to be the most beneficial for you?

Sakalp and Yemen are very favourable. But, even in Bina Wabi we found gas and oil in shallow places, at 650-700 meters with 34 API.

In the last five or six years, TPAO has multiplied its investments. They have had a lot of exploration activities in Turkey and abroad and this has brought some attention to the sector.

Would you say that now is a good time for the sector to attract independent players and what could be done to make the sector even more attractive?

In Turkey, oil reserves are not very easy to explore. Firstly, they are very costly. Secondly, the possibility of finding oil is rather low. It needs a lot of money and the Turkish private sector is not ready for such investment. But we are willing to take the risk. Many people who have left TPAO are now working in our company. The private sector has to take risks but the Turkish private sector is very immature to take such risks. At the same time all the past governments had limited knowledge of oil and gas issues. If they were aware of that fact, they would have gotten a lot of oil for the Turkish republic after the collapse of the Soviet Union.

