

PARK ELEKTRİK

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CINERGY



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Park Elektrik AS is a member of Ciner Group of Companies, one of the largest groups in Turkey: constantly evolving, today it is principally known as a producer of copper and asphaltite, supplying customers within the group as well as abroad

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Subcontractors have been removing 13 million square metres of overburden

Ciner Group was put together by billionaire Turgay Ciner, who owns a diversified portfolio of companies including electric power plants, copper aluminium and soda ash mines, hotels and a media company in Turkey in addition to owning the Istanbul soccer team Kasimpasa Spor. Park Elektrik is the only quoted company in the group, with Ciner himself the majority shareholder but trading 35 percent of its shares on the Istanbul Stock Exchange (MKB) following an IPO in 1997.

Today it is firmly positioned in the resources sector, but Park Elektrik Üretim Madencilik Sanayi ve Ticaret AS started life as a very different kind of company. It was

incorporated on March 18, 1994 in order to conduct activities in the textile sector but following its flotation the company faced a difficult domestic market and a downturn in the global textiles market. It started to look around for more stable fields of activity. Finally, in 2001, Park Elektrik's terms of incorporation were expanded to enable it to operate in new fields of activity, particularly those of energy and mining.

The company stopped all textile related activities in 2002. Another field it had experimented with, coal washing as a subcontractor to a large coal operation, was abandoned in 2006, and thereafter it concentrated on copper production at the Madenköy mine, near Siirt. The mine's

reserves have been established in the region of 13 million tonnes of copper bearing ore. At a plant on site, run of mine (ROM) ore is concentrated, and the concentrate, containing around 20 percent copper metal, is shipped for further processing. The processing plant was completed in October 2004 at a cost of around \$30 million and with an annual capacity of 110,000 tpa.

Since 2007 Park Elektrik's Madenköy mine has produced and shipped a very significant quantity of copper concentrate. In 2011 alone it shipped 80,000 tonnes valued at \$120 million and invested \$4.5 million to increase its capacity to process ROM ore to 1.2 million tpa, facilitating a growth in concentrate shipped to 86,000 tonnes in

2012. On top of that, an ongoing capacity expansion programme at the processing plant to 1.8 million tpa which is planned to be completed in 2013 will further increase the actual concentrated copper output to the region of 130,000 tonnes in 2013.

This year will witness some major changes at Madenköy. Park Elektrik plans to shift its copper mining operations from underground to open-pit mining by the middle of 2013. Its projections suggest that this strategy will extend the mine's life until at least 2025. Since the middle of last year two subcontractors have been tackling the initial stripping operation, removing 13 million square metres of overburden by the middle of 2013 at a cost of \$36 million. All in all the company plans



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Current asphaltite production to be trebled in 2014

to excavate 198 million square metres of soil to extract 19.75 million tonnes of ore in the planned 13 year period of open pit mining. Land acquisition for the more extensive open pit operation was expensive, costing Park Electric more than \$6 million upfront.

Readers may wonder what copper mining has to do with electricity, apart from consumption. Well Park Elektrik's other activities have everything to do with power generation. The Silopi asphaltite mine on which the company obtained an operating licence, held under a royalty leasing arrangement through to 2033, is estimated to contain around 35 million tonnes. Asphaltite is a bituminous hydrocarbon much used in construction: it is also valuable as a fuel and can be burnt in fluidised bed power stations

– like the 135 MW facility operated by Silopi Elektrik, another Ciner company.

Operations in the zone started in June 2009. The company sells 100 percent of the asphaltite it extracts to its sister company at a rate of around 450,000 tpa and at cost plus 15 percent. However Silopi Elektrik wants to increase its output to 405 MW from 2014, so Park Elektrik will need to treble the output from the mine to meet this

demand. Initially the mine will continue to be an open pit operation, but eventually it will go underground, using a method known as block caving. This relatively inexpensive mining technique can be used where the ore occurs in a sufficiently crumbly form to flow under its own weight into chambers dug below the mineralisation - it is then removed along an incline.

And Park Electric will soon be generating

“SINCE 2007 PARK ELEKTRIK’S MADENKÖY MINE HAS PRODUCED AND SHIPPED A VERY SIGNIFICANT QUANTITY OF COPPER CONCENTRATE”



Hydro-electric power station in Turkey

its own electricity. It obtained a 49-year generating licence from the Energy Market Regulatory Authority in December 2008, allowing it to build a 50.5 MW hydro-electric power station at Dyarbakir on the borders of Siirt province. \$100 million has been earmarked for this project. It has now secured a further licence to generate 49.9 MW of hydro power at another site in Siirt,

and is currently carrying out feasibility studies there.

Down the line, projected natural gas generation schemes will produce far greater quantities of power and take up larger chunks of investment. \$325 million is the expected cost of a proposed 423 MW gas plant at Ceyhan, while a similar sized project at Edirne. 49-year licences have been granted

“AS A GROUP WE HAVE A HIGH LEVEL OF CONSCIOUSNESS OF ENVIRONMENTAL PROTECTION”

for these projects, and construction should start in the coming year.

Ciner’s vision is to create a strong industrial group driving a strong Turkish economy. “Our company, Park Elektrik, is an example of the opportunity to process the ore sources of our country using private investments and state-of-the-art technologies, and thereby to strengthen the economy of our country, especially in the South East Anatolia region, as well as to provide employment opportunities,” he says. Park Elektrik’s Asphaltite project is one of which he is particularly proud: “It has great economic importance for this part of Anatolia. It is an environmentally friendly project. As a group we have a high level of

consciousness of environmental protection and local procurement, promoting safety, cleanliness and health.”

Free health services are provided to the two affected districts at Silopi through enhancement of the existing village clinic and providing an ambulance and health officer. A high school with 16 classrooms has been constructed, while in Silopi town a well-equipped primary school consisting of 14 classrooms and a pre-school kindergarten came into service in 2005. **BE**

For more information about Park Elektrik visit:
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