

Interview with Mr. Bulent Sakhuseyinoglu – General Manager – Mapek

Can you provide us with a brief introduction to Mapek?

Mapek was founded in 1992. It has been active in the energy sector and is the Turkish distributor of the global leader companies producing drill rigs and equipments. Mapek also provides sales, service and consultancy service to the drilling sector with its 27 well-trained employees.

The construction of Mapek's new warehouse with over 2000 square meters of indoor area, training halls equipped with high technology, laboratories and storage area was completed in 2011. Mapek also has other warehouses in the free zone area with the stock of 4 million dollars worth spare parts inventory and equipment mainly focused on diamond core drilling for mine exploration which constitutes the biggest stock in the region.

Mapek is also the exclusive distributor of Boart Longyear, the world's biggest mining rig and equipment producer. Furthermore, our company has been producing drilling fluid additives under the label of Borben.

How important is the business with Boart Longyear?

Boart Longyear is world's biggest producer of mine exploration drill rigs and equipments and has the largest market share in Turkey. Furthermore; together with Boart Longyear, Mapek has half of the wireline drill rig and equipment market share in Turkey.

How many rigs did Mapek sell last year and this year?

We delivered more than 50 Boart Longyear core drill rigs to our customers in the last decade. Eleven of these have been delivered in 2011. In Turkey, there are around 300 actively working drill rigs in total and around 180-200 of these are old, locally manufactured and low capacity ones. Beside that, Boart Longyear drilling equipments have been used with almost all other rigs for many years.

What are Boart Longyear rigs capacities?

The best selling models by Mapek are LF90D with the capacity of 900 meters drilling in NQ size for surface drills and LM55 series rigs for underground drillings. LF90Ds, which give the highest performance for the core drilling up to 1000 meters, are the most popular rigs in Turkey. Apart from this, two LF230s, the highest capacity rigs of Boart Longyear, are being used in Turkey and drilling the deepest wells.

Does Mapek sell Boart Longyear's rigs directly to mining companies or to service companies?

Both of them. However, mining companies prefer us more because of our rigs' robust and reliable designs, less maintenance requirements and services. The demand from the service companies is also increasing day by day. Along with the drill rigs, Boart Longyear drilling equipments are being frequently used by mining and service companies which creates a large part of our sales.

Turkey's geology is very complex, which must affect drilling. Does Mapek try to choose products with practical features that help them adapt to the Turkish market?

Turkey definitely has a very complex geology. However, as Boart Longyear drill rigs are designed

to work in every formations no additional adaptation is required. Nevertheless, we choose the inhole drilling products for the drilling equipments which are completely suitable to the Turkey's geology. Moreover, as we provide consultancy service to our customers related to the formations to be used, we do not have any problems.

There is an increasing supplier base in Turkey. How are you coping with intensified competition?

The market here grew incredibly as the World markets in last ten years and this resulted in the entrance of many new local and foreign players into the market. I can say that competition has been harsh but beneficial to us in general. We are always able to provide our customers with the best quality, innovative products with reasonable prices as we work with Boart Longyear, the company which invented the wireline system, which is the biggest producer of the world and which spends the highest budgets for research and development. As Mapek, we are the leader of the market in this competitive environment with our high stock level, strong service organization and well-trained staff. I also would like to thank my colleagues for the team spirit.

How is the current momentum in the market?

The market, which began to rise up in 2003, reached the highest point until the Global Financial Crisis (GFC) in 2008. The market losing momentum with GFC turned back to pre 2008 condition in 2011 and we expect this increase will continue in the next periods.

We also expect the increase of mine exploration activity due to the new mine law in Turkey where the majority of the fields have been explored and the deep drillings have just began.

Are you interested in selling rigs to neighbouring countries?

We are the distributor of Boart Longyear and other leading companies which have widespread sales network covering neighbouring countries as well. So there is no such need for us too. However, we plan to market Borben drilling fluid additives, which is our own brand and production, to neighboring and other countries in the region.

Where would you like to see Mapek's role in the exploration business in five years' time?

First of all, we will work to protect our strong position in the market. We want to continue the pioneer role in the sector and further spread the use of our products by the mining companies. But most of all, we hope to see our customers happy in the future, as they are today, for working with us.