



OIL REFINERIES GIVES NOTICE OF EXTRAORDINARY GENERAL MEETING ON AUGUST 9, 2007

Haifa, Israel, July 1, 2007 - Oil Refineries Ltd. (TASE: ORL.TA) (the "Company"), Israel's largest oil refiner, announced the convening of an Extraordinary General Meeting. See below announcement translated from Hebrew.

Re: Immediate Report – Notice of Extraordinary General Meeting

Notice is hereby given that on August 9, 2007, at 09:30 a.m., an extraordinary general meeting of the Company's shareholders will convene at the Company's offices at 7 Abba Hillel Silver Street, Ramat Gan, to pass the following resolutions:

On the agenda:

1. The appointment of Mr. Yossi Rosen, Mr. Avisar Paz, Mr. Ran Croll, Ms. Nehama Ronen and Mr. Ory Slonim, as directors in the Company.
2. The approval of compensation at the maximum amount in the range according to the Israel Companies' Regulations (Rules Regarding Compensation and Expenses of an External Director) 2000 ("**the Compensation Regulations**"), in accordance with the Company's ranking, to directors and external directors of the Company.
3. The approval of a grant to directors who took part in the Company's privatization.

Details of the resolutions on the agenda

1. Appointment of directors

Details regarding the candidates to serve as directors in the Company, see Appendix A to the Proxy Statement attached to the original Hebrew Immediate Report (Note: the Proxy Statement will be available only in Hebrew).

2. Approval for compensation for directors and external directors of the Company

It is proposed to approve that the compensation to external directors of the Company, and the compensation to directors of the Company who are not external directors, be the annual compensation, and compensation for meetings, at the maximum amount in the range according to the Compensation Regulations, in accordance with the Company's ranking. The above said compensation will be paid to every director as of the date of the Company becoming a public company, or as of the date of commencement of the director's service, whichever the later date. Furthermore, the directors will be entitled to a refund of travel expenses for meetings that took place outside their place of residence, as defined in the Compensation Regulations.

On June 28, 2007, the Company's Audit Committee and Board of Directors approved the granting of the grant; their recommendations to approve such compensation were

based on (a) the size of the Company, the complexity of its operations, its volume of activities and the responsibility entailed in connection with the managing of its operations; (b) the Company's shareholders' equity, which is greater by several levels than the level under which the highest ranking in the Company's Compensation Regulations is determined.

Regarding the date of start of payment of compensation, the Board of Directors also took into account here that, so long as the Company was a government held company, the Government Companies Regulations, which set forth compensation to directors, applied, and that until recently the Company did not have external directors and, therefore, the Audit Committee could not hold a discussion at an earlier date.

In light of the estimation that, for the above reasons, the compensation is suitable and reasonable, and does not deviate from that stipulated in the Compensation Regulations, additional data regarding the custom in similar companies was not reviewed.

Personal interest: All the directors, excluding Ohad Marani, have a personal interest in the decision as it relates to the compensation to be paid to them by the Company for their service.

3. A grant to directors who took part in the privatization of the Company

To approve a grant for the directors - excluding directors who are employees of the State of Israel, and excluding the Chairman of the Board at the time the prospectus was signed - who took part in the privatization of the Company and signed the prospectus that the Company published, to the amount of NIS 48,000. The directors to whom the payment of the grant was approved are: Mr. Uzi Netanel, Mr. Dan Kirpichnikove and Ms. Ariela Ternner.

The recommendation for the granting of the grant, as well as its level, was determined based on the extent of privatization and primarily on the success of the Company's public share offering, the amount of investment required by the directors and the heavy responsibility imposed on them to advance the process, their contribution to the success of the privatization and the Director General of the Israel Government Companies Authorities agreement, at the time of the public share offering, to grant such a grant. In addition, the recommendation takes into account the fact that the Company's employees (excluding the directors), received, as part of the privatization process, grants based on the rules applicable on government companies upon privatization.

It should be clarified that this grant is lower than the compensation that the Director General of the Israel Government Companies Authority is entitled to determine, in accordance with the Government Companies Regulations, as annual compensation for a director in a government company, in the event that the number of meetings held by the Board of Directors, and its committees', in which the director participated, exceed the maximum number of meetings defined in the Regulations, and this due to the implementation of Government decision regarding privatization or structural change. It should be noted that the number of meetings held by the Board of Directors, and its committees, in 2006 did not exceed the above mentioned maximum number of meetings (60), however, in the opinion of the Audit Committee and the Board of Directors, the other reasons detailed above justify the above said compensation.

In light of the estimation that, for the above reasons, the grant is suitable and reasonable, additional data regarding the custom in similar companies was not reviewed.

Personal interest: The directors, Uzi Natanel and Dan Kirpichnikove, have a personal interest in the decision, as it relates to the grant to be paid to them by the Company; therefore, they were not present at the discussion and did not participate in the vote.

The majority required to approve the resolutions

For the purpose of approving items 1, 2 and 3, the majority required at the meeting is an ordinary majority of shareholders entitled to participate in the vote, are themselves present at the meetings or through a representative on their behalf, or voted using a Proxy Statement.

It should be clarified that each candidate, to serve as a director, will be voted for separately.

The Quorum required for holding the meeting

The General Meeting should not commence unless a Quorum is present. A Quorum will be met if two shareholders, holding or representing at least 25% (twenty five percent) of the Company's shares, are present either in person or by a representative on their behalf, or have sent the Company their Proxy Statement indicating their vote. If the Quorum is not met within 30 minutes from the scheduled time of the meeting, the meeting will be postponed to August 16, 2007 at 9:30 a.m. at the same place. If, at the postponed meeting, no quorum will be present after half an hour from the time set for the postponed meeting, the meeting will take place if one or more shareholders are present, who hold at least 5% of the issued share capital of the Company and at least 1% of the voting rights in the Company, or who holds at least 5% of the voting rights in the Company.

The effective date

1. The Effective Date, for the purpose of determining the Company shareholder's right to vote at the General Meeting, as mentioned in Section 182 of the Companies Law, is at the end of trading on July 12, 2007 ("**the Effective Date**").
2. A shareholder whose shares are registered with a member of the stock exchange may receive a certificate of ownership from the Member of the Stock Exchange, through whom he holds his shares at the Member of the Stock Exchange's branch, or by post to his address in consideration for postage costs only, if he so requests. An application regarding this matter will be given in advance to a specific securities account. The confirmation of ownership should be sent to the Company's offices within 4 days prior to the date of convening the meeting. Power of attorneys to participate in vote in the meeting should be deposited at least 48 hours prior to the time of the meeting at the Company's offices in the Haifa Bay.

Proxy Statement

1. The web sites of the Israel Securities Authority and the Tel Aviv Stock Exchange Ltd., where, in accordance with Section 88 of the Companies Law, the Proxy Statement and Statements of Position can be found, are as follows: - www.magna.isa.gov.il, www.maya.tase.co.il, respectively (Note: the Proxy Statement and Statements of Position will be available only in Hebrew).

2. The vote shall be filled out in the second part of the Proxy Statement, as published in the Israel Securities Authority website.
3. A shareholder is entitled to approach the Company in order to receive the Proxy Statement and the Statements of Position. A member of the Tel-Aviv Stock Exchange will send, without charge, by email, a link to the Proxy Statement and the Statements of Position in the Israel Securities Authority website, to any shareholder that is not registered in the Shareholders Register, and that his shares are registered with the member of the Tel-Aviv Stock Exchange, so long as the shareholder notified that he is interested in receiving such links, and that the notification was made regarding a specific securities account, and prior to the Effective Date.
4. The Proxy Statement should be submitted to the Company's offices at Hisdadrut Avenue, Haifa Bay, so that it shall arrive at the Company's offices no later than 72 hours prior to the convening of the General Meeting, with the confirmation of ownership attached, or a copy of the shareholder's identity card, Passport or Certificate of Incorporation, if the shareholder is registered in the Company's Register.
5. The final date to submit Statements of Position to the Company shall be up to 10 days following the Effective Date.

Reviewing the report

It is possible to review the documents relating to the decisions relating to the subject of this report at the Company's offices during normal working hours, and after prior phone arrangement at +972 (04) 878-8113 or +972 (04) 878-8134.

Oil Refineries Ltd.

About Oil Refineries Ltd.

Oil Refineries Ltd. (ORL), located in the bay area of the city of Haifa, is Israel's largest oil refinery. ORL operates sophisticated and state-of-the-art industrial facilities with refining capacity of 9 million tons of crude oil per year, with a Nelson complexity index of 7.4, providing a variety of quality products used in industrial operation, transportation, private consumption, agriculture and infrastructure. The company is also active in the area of Aromatics and Polymers through wholly-owned Gadiv Petrochemical Industries Ltd. and 50% owned Carmel Olefins Ltd. ORL is traded on the Tel Aviv Stock Exchange under the ticker ORL. For additional information please visit the Company's website: www.orl.co.il

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