



OIL REFINERIES GIVES NOTICE OF SPECIAL GENERAL MEETING ON FEBRUARY 6, 2008

Company also outlines additional announcements

Haifa, Israel, January 2, 2008 - Oil Refineries Ltd. (TASE: ORL) (the "Company"), Israel's largest oil refiner, has announced the convening of a Special General Meeting.

Notice is hereby given that, on February 6, 2008, at 10:00 a.m., a Special General Meeting of the Company's Shareholders shall convene at the Company's offices at 7 Abba Hillel Street, Ramat Gan, Israel, for the purpose of approving the following resolution:

On the Agenda:

Approve the increasing of the compensation of the members of the Company's Board of Directors, excluding the Chairman of the Board, and external directors.

Details Relating to the Resolutions on the Agenda:

1. To approve, starting January 1, 2008, the increase of the compensation paid to all the members of the Board of Directors, excluding the Chairman and the external directors, as detailed below:
 - a. Annual compensation to the amount of NIS 78,259
 - b. Meeting participation compensation to the amount of NIS 3,010 (accompanying instructions such as the compensation for a meeting by means of external communications, a decision without convening, travel expenses etc., will be as defined in the Compensation Regulations¹)
 - c. An additional predefined monthly compensation to Chairman of permanent Board Committee, so long as he is not a director related to the controlling shareholder in the Company, as defined below, to the amount equal to the compensation for the participation in two meetings.

"Director Related to the Controlling Shareholder" – is defined as he who is the controlling shareholder in the company, or a relative of his, or he who is a position holder or employed by the controlling shareholder or in a company where the controlling shareholder also controls; for this matter a "Position Holder" "Control" and "Relative" – will be as defined under the Israeli Companies Law, 1999. As at the date of this report, Avisar Paz is a director related to the controlling shareholder, and based on his directive to the Company, and so long as no other directive is received, his compensation will be paid to his employer, which is a subsidiary of the Israel Corporation Ltd., the controlling shareholder in the Company.

2. The amounts noted above in section 1.a. and 1.b. will be linked to the maximum amount linked to the Israeli Consumer Price Index, based on the Companies rank, as will be defined in the correction of the Compensation Regulations², if and when this is approved, and this, once coming into force, as possible according to the correction, and this in relation to each of the discussed directors.

¹ Companies' Regulations (Regulations with Respect to Compensation and Expenses Paid to an External Director), 2000.

² Companies' Regulations (Regulations with Respect to Compensation and Expenses to be Paid to an External Director) Correction, 2007, Drafted, as will be approved and will be rendered valid.

Reasoning of the Audit Committee and the Board of Directors on the Proposed Resolution:

On December 31, the Company's Audit Committee and Board of Directors approved an increase in the director's compensation, as proposed above, inter alia, for the following reasons and considerations:

- a. To the best of the Company's knowledge, the Minister of Justice approved and sent for the approval of the Constitution Law and Justice Committee of the Knesset, the wording of an amendment to the Compensation Regulations, according to which the maximum compensation for external directors serving in companies whose shareholders' equity exceeds NIS 1 billion as follows: annual compensation of NIS 82,378 and compensation for participating in meetings of NIS 3,169, and as far as this relates to an expert external director, as defined in the proposed amendment to the Compensation Regulations – an annual compensation of NIS 110,000 and compensation for participation in a meeting of NIS 4,225.

A comparison was made of the proposed compensation by the Company to the compensation set forth in the proposed amendment to the Compensation Regulations, and this comparison shows that the proposed compensation is reasonable. The proposed compensation at present does not reach the maximum compensation set forth in the Amendment to the Compensation Regulations, and will be adjusted to it on the Amendment coming into force.

The Audit Committee and the Board of Directors think that it is appropriate that the Company should pay compensation on identical basis for all serving directors; therefore, to the extent that the Compensation Regulations will be legislated in such a way that it will facilitate matching compensation for all directors serving in the Company, including external directors, to the compensation approved by this resolution, the increased compensation for external directors will be brought for discussion and approval of the Company's institutions.

- b. The size and complexity of the Company, the significant changes that it recently underwent and the changes in the market in which it operates, require extraordinary efforts by the members of the Board of Directors.
- c. Realizing the strategic plan connected with extensive investments in the diversity of operations, both in Israel and abroad, requires directors to devote considerable time.
- d. The ability of the Company – over time, to obtain the agreement of those with great ability and expertise to serve as directors in the Company – is affected, inter alia, by its preparedness to pay suitable compensation for their services.
- e. The contribution of the directors to the Company's business, its development and work proceedings.
- f. The chairmen of the permanent committees are required, by virtue of their positions, to invest considerably more time to prepare the meetings of the committees, to maintain current contact with the Company's management in the field of the committee's work, including internal meetings and meetings with factors external to the Company, and to follow up performance of the committee's decisions, and they also have significant responsibility, by virtue of their positions.
- g. The Audit Committee and the Board of Directors were informed that other public companies introduced higher rates of compensation than the rates of compensation set forth in the present Compensation Regulations, and special rates of compensation for special tasks imposed on directors.

On considering all the aspects, the Audit Committee and the Board of Directors found that there is full justification to increase the directors' compensation, as detailed in the proposed resolution, which is suitable and reasonable in the circumstances.

Personal Interest

All directors, apart from the Chairman of the Board and the external directors, have a personal interest in their decision as it relates to the compensation which will be paid to them by the Company for their services. As most of the members of the Board of Directors have a personal interest, all the directors participated in the deliberations in the Board of Directors on the subject of approving the above resolution.

The directors Uri Slonim and Avisar Paz, who have a personal interest, did not participate in the deliberations of the Audit Committee on the subject of approving the above resolution.

There were no objectors among the directors to the above approval.

Majority required for the Approval of the Resolution

The majority required for the approval of the resolutions on the agenda is a regular majority of the shareholders eligible to participate in the vote, present at the meeting in person or through representatives on their part, or voted by proxy statement.

Quorum required for the holding of the General Meeting

The General Meeting should not commence unless a Quorum is present. A Quorum will be comprised of 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 a Quorum is not present half an hour from the scheduled time of the meeting, the meeting will be postponed to February 13, 2008 at 10:00 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 regardless the number of participants.

Date of Record

The Date of Record, 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 January 7, 2008 ("Date of Record").

A shareholder whose shares are registered with a member of the TASE may receive a confirmation 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 so requested. Such request is to 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. In accordance with Section 88 of the Companies Law, the Hebrew proxy statement and statements of position can be found on the websites of the Israel Securities Authority and the Tel Aviv Stock Exchange Ltd. - www.magna.isa.gov.il, www.maya.tase.co.il, respectively.
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 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 same 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 Date of Record.
4. The Proxy Statement should be sent to the Company's offices at the above-mentioned address, 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 Date of Record.

Reviewing the report

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

Signed, Oil Refineries Ltd.

Additional Immediate Reports

The Company recently issued additional immediate reports outlined as follows.

1. Following the Company's press releases dated September 10 and November 7, 2007, the Company announced the actual allocation of options to the Company's Chairman, Chief Executive Officer and another 9 position holders, as outlined in the said announcements. The updated shareholding of interested parties of the Company (including the Company's Chairman and Chief Executive Officer), on a fully diluted basis, can be found on the Company's website, www.orl.co.il, under Investor Relations, Major Shareholders.
2. Following the Company's press release dated September 10, which also outlined, under section A.1., the framework for future stock option allocations, the Company announced its intention to allocate an additional 6,950,000 options to 16 Company senior employees, whom are not position holders. A convenience translation of Immediate Report detailing the allocation can be found under the Investor Relations section of the Company's website, www.orl.co.il, under Company Releases.

About Oil Refineries Ltd.

Oil Refineries Ltd. (ORL), located in the bay area of the city of Haifa, operates 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

Contacts

Company Contact:

Rami Sasson
EVP Business Development & Capital Markets
Oil Refineries Ltd.; Tel. 972 4 878 8117;
ContactIREn@orl.co.il

Investor Relations Contact:

Ehud Helft \ Fiona Darmon
GK Investor Relations
Tel. 1 646 797 2868 \ 972 54 566 3221
info@gkir.com