



OIL REFINERIES 50%-HELD CARMEL OLEFINS COMMISSIONS NEW FACILITIES

Haifa, Israel, July 4, 2007 - Oil Refineries Ltd. (TASE: ORL.TA) (hereinafter: the "Company"), Israel's largest oil refiner, announces that, following notice received from Carmel Olefins Ltd. (hereinafter: "COL") (50% owned by the Company), the management of COL notified its Board of Directors that it has completed the erection and commissioning of new facilities, as part of the Expansion Project. According to COL's notice, following the commissioning of the new facilities, COL's polypropylene production capacity is expected to increase from about 200 thousand tons per annum to about 450 thousand tons per annum. For additional details about the Expansion Project see sections 7.7.9 and 7.9.3.10 of the Company's prospectus published on February 13, 2007.

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

Contacts

Company Contact:
Jacob Hirsch
CFO, Oil Refineries
Tel. 972 4 878 8115
jhirsh@orl.co.il

Investor Relations Contact:
Ehud Helft \ Fiona Darmon
GK Investor Relations
Tel. 1 866 704 6710 \ 972 54 566 3221
info@gkir.com