



OIL REFINERIES SUCCESSFULLY COMPLETES DEBENTURE ISSUE

Raised NIS 1.8 billion in Three Series of Debentures; Three Times Oversubscribed in Public Tender Stage

Haifa, Israel, December 4, 2007 - Oil Refineries Ltd. (TASE: ORL) (the "Company"), Israel's largest oil refiner, announced that it successfully completed an NIS 1.8 billion (approx. \$474 million) debenture issue from the public. The issue was based on the Company's prospectus, offering three series of debenture. The interest on the debentures was determined by means of tender. The oversubscription during the public tender stage reached three times the total amount of debentures offered to the public (beyond those which were allocated as part of the institutional tender stage).

Based on the Company's prospectus of November 28, 2007, Oil Refineries offered three series of debentures to the public at different interest rates. The Company raised a total of NIS 473 million (approx. \$123 million) in index-linked debentures with an approximate 7.5 year duration, bearing an annual interest of 4.8%; NIS 843 million (approx. \$220 million) in index-linked debentures with an approximate 5.5 year duration, bearing an annual interest rate of 4.6% and NIS 500 million (approx. \$131 million) in non-linked debentures with an approximate 4.6 year duration, bearing an annual interest rate of 6.5%.

The Company recently published its financial results for the third quarter of 2007 reporting a consolidated net income for the third quarter of NIS 178 million and a consolidated EBITDA of NIS 326 million.

Recently Oil Refineries' Board of Directors approved a strategic plan under which the Company expects to invest over \$1.1 billion dollars over the coming five years. The plan includes changes in the Company structure and reorganization, upgrading the refining capabilities, investment in environmental protection, safety, improving infrastructure, improving efficiency by combining natural gas, turning the headquarters into a global headquarters and penetrating new markets in the energy and petrochemical spaces.

Mr. Yossi Rosen, Chairman of Oil Refineries commented "The public has shown a vote of confidence in Oil Refineries' strategic plan and its management team"

Mr. Yashar Ben Mordechai, CEO of Oil Refineries added "The Company is now poised to rise to the next level in its core businesses and to penetrate new areas in Israel and overseas. This strong vote of confidence made by the investing public will help up achieve the goals set in the areas of refining, petrochemicals and trade. The Company has already initiated the planning and implementation phase of certain projects under the strategic plan"

The offering was lead by the underwrites: Poalim IBI – Underwriting and Issuance Ltd., Clal Financim Underwriters, Leazer Underwriters (1993), Menora Mivtahim Underwriters and Management Ltd. and Psagot Leumi and Co. Underwriters Ltd.

For full details of the results of the debenture issue please view the Hebrew filing on Tel Aviv Stock Exchange website – www.tase.co.il, an English convenience translation of the filing will be made available under the Investor Relations Section of the Company's website, www.orl.co.il, under Company Announcements.

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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