



**Company Contact:**

Rony Solonicof  
Chief Economist and Head of Investor Relations  
Oil Refineries  
Tel. 972 4 878 8320  
ContactIREn@orl.co.il

**Investor Relation Contacts:**

Ehud Helft \ Fiona Darmon  
  
GK Investor Relations  
Tel. 1 646 797 2868 \ 972 52 695 4400  
info@gkir.com

FOR IMMEDIATE RELEASE

## **OIL REFINERIES TO ACQUIRE CONTROL OF HAIFA BASIC OILS**

**Haifa, Israel, January 4, 2010 - Oil Refineries Ltd. (TASE: ORL.TA) (hereinafter: the "Company", "ORL"),** Israel's largest oil refiner, announced that it has acquired 24.5% of Haifa Basic Oils (hereinafter: "HBO") from Paz Oil Company Ltd. (hereinafter: "Paz"), held in trust, in consideration for NIS 59 million, and that the acquisition has been approved by the Company's Board of Directors. The consideration is subject to adjustments if during a period of 5 years the Company will enter into an agreement to acquire an additional shareholder's holding in HBO for a consideration indicating to a value of over NIS 240 million for HBO.

Subsequent to the acquisition, the Company holds 74.5% of HBO's issued share capital.

For additional information on HBO's activities, please refer to the Company's Hebrew shelf prospectus from May 29, 2008.

As part of the transaction, the Company was notified of the withdrawal of Paz from the request for the approval of a derivative claim filed in 2006 by other shareholders in HBO against the Company, which was approved by the Israeli court, as announced on October 25, 2009, a decision that is currently being reviewed by the Israeli High Court (hereinafter: the "Derivative Claim"). The Company was also notified on the waiver of Paz on all rights to claim, demand or complaint of all forms and types with regards to the Derivative Claim.

As a result of the transaction, the Company expects to record a capital gain, yet to be determined.

Additional information in English on HBO can be found on its website - <http://www.hbo-wax.co.il/profile.htm>.

**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 9.8 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 Polymers (through Carmel Olefins Ltd.) and Aromatics (through wholly-owned Gadiv Petrochemical Industries 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](http://www.orl.co.il)