



OIL REFINERIES SUBSIDIARY CARMEL OLEFINS UPDATES ON RESULT OF TENDER FOR 51% OF PETKIM

Haifa, Israel, July 5, 2007 - Oil Refineries Ltd. (TASE: ORL.TA) (the "Company" or "ORL"), Israel's largest oil refiner, announced today that, following the press release from May 20, 2007, Carmel Olefins ("COL"), in which ORL holds 50%, notified the Company that, as part of the tender for the sale of control in Turkish petrochemical company - Petkim Petrokimya Holdings A.S. ("Petkim"), COL, and its Turkish partner for the sake of the tender, submitted a final offer ("Final Offer") totaling US\$ 1,785 million for the acquisition of 51% of Petkim, as part of the competitive pricing stage led today in Ankara by the Turkish Privatization Authority. This Final Offer was not accepted. The winning offer for the acquisition of 51% of Petkim totaled US\$ 2,050 million, reflecting a total company value for Petkim of US\$ 4,019 million.

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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