



OIL REFINERIES ANNOUNCES WIDESPREAD EFFICIENCY PROGRAM

Senior Management and Board of Directors Implementing 10% Salary Cut

Igal Salhov Nominated New Chief Financial Officer

Haifa, Israel, January 7, 2009 - Oil Refineries Ltd. (TASE: ORL.TA) (the "Company" or "ORL"), Israel's largest oil refiner, announced today that as part of its 2009 workplan, the Company intends to implement efficiency measures in a number of areas including manufacturing, logistics, purchasing and contractual work. ORL intends to reduce contractual and outsourced activities and transfer them to ORL employees. The Company is also incorporating the Business Development and Capital Market Unit's activities into the other units and the Business Development Executive Vice President has ended his tenure with the Company.

Mr. Igal Salhov, who, to date, has held the position of Carmel Olefins' Chief Financial Officer, has been nominated Chief Financial Officer of the Company after Mr. Jacob Hirsh, the Company's current CFO, notified on his retirement after many years with the Company.

The Chairman of the Company, the CEO as well as the Members of Senior Management, have announced their intention to take a 10% reduction on the salary due to them for the year 2009. Furthermore, the members of the Board of Directors announced a similar voluntary salary reduction.

Mr. Yossi Rosen, Oil Refineries' Chairman said: "ORL is swiftly reacting and adapting itself to the changed Israeli and global economic environments. The Company continues to implement efficiency measures, re-allocating resources, with a view to improving profitability and guaranteeing the Company's strengths and the long term implementation of the Company's strategic plan."

Mr. Rosen further added that ORL is committed to continuing to implement the Company's strategic plan on all matters of environmental protection and strategic investments, as well as fully leveraging the synergies with Carmel Olefins."

Mr. Yashar Ben Mordechai, Oil Refineries' Chief Executive Officer said: "As part of these efficiency measures, the management team is cutting 10% of its salary for 2009. A large number of activities provided by external service providers will be transferred to Company employees. Despite the complexity of the current economic reality, ORL and its managers are dedicated to continuing to strengthen the Company's core business with a view to implementing the long term development plan."

Mr. Ben Mordechai expressed his gratitude to the resigning Chief Financial Officer, Mr. Jacob Hirsh, thanking him for his many years of hard work, dedication and professionalism as well as his role in the Company's privatization process.

In a separate announcement issued today, the Company notified on the nomination of Ms. Ety Gutmann, the Company's current Chief Information Officer, to the position of Chief of staff and Human Capital management Officer.. Ms. Gutmann will be responsible for organizing the activities of the Company's corporate, human resource development, and information systems.

About Oil Refineries

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

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