



OIL REFINERIES LTD. INITIATING STRATEGIC PLAN TO DRIVE ACCELERATED DOMESTIC AND INTERNATIONAL GROWTH

- Company expected to invest over NIS 4.5 bn (\$1.1 bn) in upcoming five years and to expand to new markets
 - NIS 1 bn (\$270 mm) to be invested to improve the Company's environmental activities

Haifa, Israel, November 7, 2007 - Oil Refineries Ltd. (TASE: ORL) (the "Company"), Israel's largest oil refiner, announced today that its Board of Directors has approved a strategic plan (the "Outline") under which the Company is expected to invest over NIS 4.5 billion (\$1.1 billion) during the upcoming five years. The Outline includes structural Company changes and re-organization, upgrading the refining capability, investment in environmental protection, safety, improving infrastructure, efficiency through integration of natural gas, upgrading the headquarters into a global organization and expanding to new energy and petrochemical markets. A convenience translation of the Company's immediate report filed today with the Tel Aviv Stock Exchange can be found at the end of this press release.

Oil Refineries Ltd., based in the Haifa bay, has a current market capitalization of \$1.6 billion. The Company's geographic location in the East Mediterranean places it in close proximity to fast growing markets such as Turkey, Greece, Egypt and Cyprus. The ability to refine a broad variety of crude oils, and the integration with petrochemicals, enables the optimization of the Company's product slate. As such, the Company intends to invest approximately NIS 2.5 billion (approximately \$600 million dollars) in Hydocracking, enabling the Company to substantially increase the volume of its high quality produce, and to invest an additional NIS 1 billion (\$250 million) in expanding the Company's activities in complementary areas.

The Company's management is planning structural changes which will lay emphasis on the refining, petrochemical and trade areas, transitioning the headquarters into a global organization focusing primarily for growth. The Company has the necessary professional and managerial resources to help spearhead the change. The Company is planning on implementing efficiencies and expanding activities, and, as such, is reviewing investment opportunities overseas in the refining and petrochemical areas.

The Company's core growth drivers remain manufacturing fuels and petrochemical products. The Company will expand its fuels and petrochemicals trade and sea transportation activities, while increasing the number of operated tankers, expanding fuels and petrochemical trade and marketing activities overseas.

The structural change will focus on the following areas:

1. **Refining** (includes the refinery) - Responsible for the production and supply of a quality product, high level of service, and competitive pricing; Responsible for defining the standards in all areas of manufacturing, quality, maintenance and security, as well as implementation in all the sites; An autonomous and enhanced operating body of high professional standing.
2. **Trade** - Supply of raw materials to the production facilities and the sale of end produce, development of international trade and sea transportation activities
3. **Petrochemicals** - Focus on expanding dedicated products locally and internationally.

The planned **global headquarters** will include corporate-wide units and individual strategic business units reporting directly the Company's Chief Executive Officer. The global headquarters will be responsible for defining the Company's policy, site improvements, establishing new units and developing new activities.

The Company's new strategy is based on the integration between its **refining activities** with its **petrochemical business**. The integration between the activities enables strong synergy, optimized manufactured product slate and increased accumulated margins. At the beginning for the third quarter 2007, the Company activated the new polypropylene plant at Carmel Olefins Ltd, which will double the Company's polypropylene production and already increases refinery synergies.

"The energy market dictates the Company's reorganization on the local and global stage. This new strategy will drive growth in new energy markets, while expanding the Company's current activities in Israel and abroad," **commented Mr. Yossi Rosen, Chairman of the Board**. "Furthermore, Oil Refineries places substantial emphasis on investment in environmental protection and therefore intends to invest approximately NIS 1 billion (\$270 million) in the area of the environment, safety and security, as well as increasing operating credibility."

The Company will adopt, among other things: 1. Corporate Governance based on the Goshen Committees recommendation and will move to increase transparency for the Capital Market. 2. Will implement an enforcement plan in all matters of environment, safety, anti-trust, corporate law and securities law; The environmental issue will receive premier importance in all matters of budgeting, as well as professional and managerial manpower. A dedicated Board Committee has been established and is to be lead by Ms. Nechama Ronen, under close professional guidance.

Mr. Yashar Ben Mordechai, Chief Executive Officer added, "The Company is currently poised to rise to the next level in its core business and to expand into new local, and global, markets. The Company's high-quality human capital serves as the fundamentals in achieving these ambitious targets. The structural change and new investments will increase refining capacity and operating efficiency, while increasing our competitive standing. The new Oil Refineries' will place premier emphasis on customer needs, while increasing our offering of high quality products. As Oil Refineries' is active in volatile and cyclical markets, the Company intends to further enhance its long-term financial strength by broadening its areas of activities to complementary areas, while increasing the product slate."

Conference Call

The Company will be hosting a conference call later today, at 10:00am EST (03:00pm UK, 05:00pm Israel). On the call the Company's Chairman and CEO will discuss the Company's new strategic plan.

The conference call will be accompanied by a presentation, which will be available for download from the Company's website (www.orl.co.il, under Investor Relations, Company Releases) prior to the call.

To participate, please call one of the following teleconferencing numbers. Please begin placing your calls at least 10 minutes before the conference call commences. If you are unable to connect using the toll-free numbers, please try the international dial-in number.

US Dial-in Numbers:	1-888-668-9141	UK Dial-in Number:	0-800-051-8913
Israel Dial-in Number:	03-9180685	International Dial-in Number:	+972 3 918 0685

at: 10:00 am Eastern Time, 07:00 am Pacific Time, 3:00 pm UK Time, 5:00 pm Israel Time

Convenience Translation of the Immediate Report Filed today with the Tel Aviv Stock Exchange

1. The Company is pleased to announce that its Board of Directors has decided on a Strategic Plan (the "Strategic Plan"), aimed at driving fast growth and enhanced competitiveness in coming years, through massive investments in the environment, safety, security and increased operating credibility, for a total estimated amount of \$1.1 billion, as follows –
 - Accelerated investments in the refining area, the Company's core business area, primarily in increasing the Haifa refinery's complexity and efficiency, and in complementary areas, for a total estimated amount of \$850 million, as well as in locating business opportunities also outside of Israel
 - Expanding the Company's petrochemical activities, while emphasizing high value-add products, in Israel and overseas
 - Expanding the Company's fuel products' trade and logistics
 - Investments in the expected amount of approximately \$270 million in the area of environmental protection, safety, security and increased operating credibility.

2. The Company's Board of Directors assigned the Company's management to move to approve the plans and projects as part of the said Strategic Plan and to bring them to the approval of the Board of Directors, as each one materializes, including the means of financing.
3. As part of the Strategic Plan's implementation, the Board of Directors decided to approve:
 - A \$79 million investment in a project to replace the Catalyst in the gas oil hydro-treater and to convert the HVGO hydro-treater into a mild hydro-cracker, for the increasing quantities of gas oil refined in the Haifa refinery and for the cracking of part of the HVGO quantity manufactured by the Haifa refinery. The interim stage of the project is due to be completed towards the beginning of 2009 and the project is due to be completed in its entirety in mid 2010.
 - A \$37 million investment in the pre-project stages of erecting a hydrocracker at the Haifa refinery, which, if approved in its entirety, is expected to be operational during 2011. This will enable process planning, reserving for supply times by the equipment manufacturers and planners, and time in order to receive the necessary approvals. The Company expects to reach, by summer 2008, a final decision regarding approving the project in its entirety.

The Company's Board of Directors above noted decision estimations, with regard to the expected completion times for the projects, and the scope of investments in them, constitutes forward looking statements. These estimations are based on plans prepared by the Company's management and based on data received from professional external parties. There is no certainty that these estimations will occur as they relate to extremely complex projects whose implementation is dependent, among other things, on external parties, and on the receipt of various regulatory approvals.

4. In addition, the Company's Board of Directors decided to update the Company's organizational structure, in order for it to be in line and supportive of the new Strategic Plan, breaking down the activities into three sectors – the Refining Sector, the Trade Sector and the Petrochemical Sector.

This report is accompanied by a Company presentation on the matter, available for download from the Company's website (www.orl.co.il, under Investor Relations, Company Releases)

The Company also filed additional Immediate Reports today with the Tel Aviv Stock Exchange; these reports are available for viewing and download from the Company's website – under the same section as the presentation.

About Oil Refineries Ltd.

Oil Refineries Ltd. (ORL) whose main office is located in the bay area of the city of Haifa, is the owner of Israel's largest oil refinery. ORL operates sophisticated and state-of-the-art industrial facilities with a 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 operations, 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's shares are 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 Ltd
Tel. +972 4 878 8117
jhirsh@orl.co.il

Investor Relations Contact:

Ehud Helft \ Fiona Darmon
GK Investor Relations
Tel. 1 646 797 2868 \ 972 54 566 3221
info@gkir.com