



OIL REFINERIES SUBSIDIARY, CARMEL OLEFINS, HEARING PROTOCOL

Haifa, Israel, July 9, 2008, - Oil Refineries Ltd. (TASE: ORL.TA) ("Oil Refineries" or the "Company") announced today that it has been notified by Carmel Olefins Ltd. (a 50%-held private company in which Oil Refineries is in the process of acquiring the remaining 50% as detailed in the immediate report from June 25, 2008), (hereinafter "CAOL"), that according to the announcement from July 7, CAOL has been notified that a hearing protocol was published on the Ministry of Environmental Protection Web-Site, with regard to the hearing that was held for CAOL in relation to the smoke emission event that occurred on June 21, 2008.

In the announcement, CAOL has specifically drawn the attention of the Company to two demands of the Ministry of Environmental Protection that appeared in the protocol hearing and that according to them:

1. One of the Polyethylene plants will be shut down until the completion of the examination and its conclusions
2. An examination will be conducted by a German-based expert and within two weeks a report will be submitted, and its recommendation will be implemented within a month.

CAOL has notified the Company that it is studying the protocol and will act to implement the demands that appears in it, and mentioned that the rest of CAOL's plants will continue to operate as usual.

Based on the above report by CAOL, the Company estimates that the shutdown mentioned above, is not expected to have a material impact on CAOL or on the Company.

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 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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