



ISRAEL PETROCHEMICALS ENTERPRISES JOINS OIL REFINERIES' CONTROL GROUP

Haifa, Israel, June 7, 2009 - Oil Refineries Ltd. (TASE: ORL.TA) ("ORL" or the "Company"), Israel's largest oil refiner, announced today that the Israel Corporation ("Israel Corp.") and Israel Petrochemical Enterprises Ltd. ("IPE") have completed the signing of a joint control agreement in ORL between the Israel Corp., IPE and Petroleum Capital Holdings (fully owned by IPE) ("Petroleum"), as well as signed an addendum to the Control Agreement in the Company.

Also, the Israel Companies Authority notified the Company today that the Israeli Prime Minister and Minister of Finance, under the approval of the Minister for National Infrastructures, signed, on June 4, 2009, a Control Permit to the Israel Corp.'s, and its shareholders', correcting the Control Permit granted to the Israel Corp. in June 2007. Furthermore, the Israel Corp. published, in its June 7, 2009 announcement, details with regard to the said correction to the Control Permit

According to the Israel Companies Authority notice, under the terms of the Control Permit granted to the Israel Corp., the Israel Corp. is permitted to hold 24% or more of the Company's control means, solely, or together with IPE and Petroleum, under the conditions of the joint control agreement signed between the said companies, and which was attached to the Israel Corp.'s Letter of Commitment issued to IPE. IPE's representative notified the Israeli Companies Authority that all the conditions outlined in the Control Permit granted to IPE and Petroleum on May 6, 2009 were fulfilled by June 5, 2009.

The Israel Companies Authority notice further states, that IPE, Petroleum and the controlling holders in these companies are therefore eligible to control ORL and hold 24% or more of the Company's control means, together with the Israel Corp., under the terms set forth in the joint control agreement.

ORL's Board of Directors elected, at its meeting today, Mr. David Federman as a director and deputy Chairman of the Company, and Mr. Arie Silberberg as a director in the Company. The Board of Directors accepted the resignation of Mr. Uzi Netanel and approved his nomination as an alternate director to Mr. David Federman.

Furthermore, the Company's Board of Directors decided that given that the principle conditions serving as the basis of the merger agreement between the Company and Carmel Olefins Ltd. ("CAOL"), not undertaken, are still relevant, and since the Control Permit by IPE, being the main hurdle which previously prevented the said merger, has been received, the Company will continue to cooperate with IPE and CAOL in order to advance such process which will serve part of the Company's development. The Board of Directors emphasized ORL's commitment to completing the merger and its interest in completing the merger with CAOL and continues to review the right timing for the completion of the merger which, given the substantial inherent synergies, will further improve ORL's results.

A convenience translation of the full immediate report issued by Oil Refineries will be available under the investor relation section of ORL's website – www.orl.co.il.

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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