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Not for Immediate Release

OIL REFINERIES ANNOUNCES RESULTS FOR THIRD QUARTER AND FIRST NINE MONTHS OF 2009

- *Consolidated quarterly net income reaches \$100 million, compared break even in third quarter 2008;*
- *Consolidated net income for the nine months reaches \$167 million*
- *Adjusted refining margin totals USD/bbl 8.1 compared to Reuters' Mediterranean Ural Cracking Margin benchmark of USD/bbl 1.6;*
- *Refining capacity increases to 197 kbpd, up from 180 kbpd, following upgrade of largest crude unit;*
- *Continue to prepare for merger of Carmel Olefins with ORL; following general meeting approval and completion of transaction -- ORL will wholly-own Carmel Olefins*

Haifa, Israel, November 11, 2009 - Oil Refineries Ltd. (TASE: ORL.TA) ("Oil Refineries" or the "Company") announced today its financial results for three and nine month periods ending September 30, 2009. Results reported in US Dollars and under International Financial Reporting Standards (IFRS).

- Adjusted refining margin USD/bbl 8.1, compared to USD/bbl 1.6 average Reuters' quoted Mediterranean Ural Cracking Margin
- Adjusted refining and trading segment EBITDA totaled \$55 million, compared to a \$83 million in nine months 2008
- Polymer sector EBITDA totaled \$17 million, an increase from the \$16 million in last year
- Aromatic sector EBITDA totaled \$8 million, an increase from the \$7 million in last year
- Consolidated net income of \$100 million, compared to break even in the first nine months 2008

As accepted by major leading international refiners and marketers of oil and its products, the results are presented as reported as well as net of the accounting provision for inventory gains or write offs, in addition to buying and selling timing and derivative accounting method under IFRS. This, in order to enable a common base for comparison of the Company's ongoing operations.

VOLATILITY IN GLOBAL FUEL PRICES AND REFINING MARGINS

The increase in crude oil prices had a substantial impact on the Company's results during the reporting period. The Company maintains a basic un-hedged inventory of 600,000 tons of crude oil. The change in the value of this inventory does not draw a cash flow impact on the Company, therefore the Company reports its operating results net of these and other factors as outlined below.

As of September 2009 the Company hedges its basic inventory by means of options for the instance of a significant decline in crude oil prices.

THIRD QUARTER 2009 RESULTS

Adjusted refining margin for the third quarter of 2009 totaled USD/bbl 8.1 (USD/ton 60.1), compared to the average Mediterranean Ural Cracking Margin quoted by Reuters for the third quarter 2009 of USD/bbl 1.6 (USD/ton 11.0). Adjusted refining margin for the third quarter 2008 totaled USD/bbl 8.1 (USD/ton 58.9). The Company estimates that the adjusted refining margin for the quarter was substantially higher than the regional "Ural" benchmark for several reasons: the completion of unit upgrades, differences in the refined crude oil mix as compared to the "Ural", full capacity activation of downstream units despite the decline in refining throughput due to the periodic turnaround of the largest crude unit and crossover impacts between quarters in volatile environment.

Utilization rate for the third quarter totaled 76.5%, compared to 92.5% in the same period last year. The decline in utilization rate is mainly due to the periodic turnaround of the Company's largest crude unit.

Refining and Trading sector adjusted EBITDA totaled \$55 million in the third quarter of 2009, compared to \$83 million in the comparable period last year.

Polymer Segment EBITDA, conducted through 50%-held Carmel Olefins, totaled \$17 million in the third quarter of 2009, compared to \$16 million in the comparable period last year.

Aromatic Segment EBITDA, conducted through wholly-owned Gadiv Petrochemical Industries, increased to \$8 million in the third quarter of 2009, compared to \$7 million in the comparable period last year.

Finance expense for the third quarter of 2009, on a consolidated basis, totaled \$17 million, compared to a \$52 million finance expense in the third quarter of last year. The decline in finance expenses resulted from the fair value adjustment of financial derivatives, as accepted under IFRS accounting standard, as well as from the decline in interest expenses, resulting from the lower LIBOR rate. Furthermore the Company generated an income on its traded securities' portfolio.

Taxes on Income: As a result of the Israeli "Economic Efficiency Law" which determined, among others, the gradual reduction in the corporate tax rate to 18% in 2016 and onwards, the Company's deferred tax liabilities were reduced resulting in the Company recording a related tax income of approximately \$36 million.

Consolidated net income for the third quarter of 2009 totaled \$100 million, compared to break even in the third quarter last year.

NINE MONTH 2009 RESULTS

Adjusted refining margin for the nine months of 2009 totaled USD/bbl 4.9 (USD/ton 36.0), compared to the average Mediterranean Ural Cracking Margin quoted by Reuters for the period of USD/bbl 2.1 (USD/ton 15.0). Adjusted refining margin for the comparable period last year totaled USD/bbl 5.7 (USD/ton 41.7).

Utilization rate for the first nine months totaled 81.7%, compared to 91.0% in the same period last year. The decline in utilization rate is mainly due to the periodic turnaround of the Company's main crude unit.

Refining and Trading sector adjusted EBITDA totaled \$95 million in the first nine months of 2009, compared to \$134 million in the comparable period last year. The year over year decline mainly followed lowering refined volumes resulting from the periodic shutdown of the Company's main refining unit paired with the lower refining margins. This was partially offset by the proactive decrease in operating expenses.

Polymer Segment EBITDA increased to \$28 million in the nine months of 2009, compared to \$19 million in the comparable period last year. The increase resulted primarily from higher quantities sold, offset by a decline in product margins.

Aromatic Segment EBITDA totaled \$26 million in the nine months of 2009, compared to \$30 million in the comparable period last year.

Finance expense for the nine months of 2009, on a consolidated basis, totaled \$8 million, compared to an \$88 million finance expense in the third quarter of last year. The decline in finance expenses resulted primarily for the fair value adjustment of financial derivatives as accepted under IFRS accounting standards, as well as a decline in interest payments resulting from the lower LIBOR interest rate.

Taxes on Income: As a result of the Israeli "Economic Efficiency Law" which determined, among others, the gradual reduction in the corporate tax rate to 18% in 2016 and onwards, the Company's deferred tax liabilities were reduced resulting in the Company recording a related tax income of approximately \$36 million.

Consolidated net income for the nine months of 2009 totaled \$167 million, compared to \$74 million in the nine months last year.

SIGNIFICANT RECENT DEVELOPMENTS

Agreement to acquire the entire holdings of Israel Petrochemical Enterprises in Carmel Olefins ("CAOL"): On October 27, 2009 the Company signed an agreement with Israel Petrochemical Enterprises ("IPE") under which IPE will sell to the Company its entire shareholding in CAOL, representing 50% of CAOL's issued and outstanding share capital, in such a manner that following the acquisition, the Company will hold 100% of CAOL's issued share capital. In return for the acquired CAOL shares, the Company will issue 431,610,944 ordinary shares to IPE, representing, after the allocation (undiluted), 17.75% of the Company's issued share capital. The acquisition of CAOL's entire share capital will enable the Company to take advantage of potential inherent synergies between the refining, aromatic and polymer industries, enabling total optimization of the production process in the three plants – ORL, CAOL and Gadiv, through joint planning of crude oil and feedstock purchases, optimized manufacturing and materials allocation to the plant where it will achieve the highest added value.

Mild Hydrocracker – In May 2009 the Company completed, and activated, the first phase of the HVGO desulphurization plant conversion into a mild hydrocracker. Subsequently the unit started contributing to added value by increasing gasoil production capacity by 2% per annum -- an even higher rate than initially

forecast. The Company is currently bringing forward the second stage of the project, which is expected to further increase capacities by the same level as the first stage.

Periodic Turnaround and Upgrade of Crude Unit 4 – The turnaround and upgrade of the largest crude unit was completed at the end of July 2009. This upgrade enables the Company to refine a broader range of regional crudes, capturing higher refining margins. With the commissioning of the upgraded unit, the refinery's capacity has increased from 180,000 barrels per day to approximately 197,000 barrels per day.

Full Hydrocracker – As part of the strategic plan, under which a 25 kbpd hydrocracker was approved, the Company is now finalizing the financing package.

Efficiencies – The Company adopted a comprehensive efficiency work plan for 2009. Under the plan, the Company has substantially reduced ongoing operating expenses and intends to continue to implement efficiencies and cost savings in the coming quarters.

Mr. Yashar Ben Mordechai, CEO of Oil Refineries: “Oil Refineries continues to present refining margins consistently higher than the regional benchmark. The measures recently implemented, including the conversion and upgrade of units, substantially contributed to our flexibility and to the added value of the plant. We are witnessing an increase in demand, primarily for transportation fuels in the local market. However, we continue to feel the impact of the global economic slowdown. The global economic recovery is key to driving demand, and as such we are positioning ourselves to take advantage of this opportunity to the maximum. The acquisition of CAOL will enable us to immediately leverage synergies through the optimization of activities, including optimal long term investment planning. The unique integration dynamics of our fuels industry with the aromatic and polymer industries, offers us an advantage in the competitive landscape. This optimization includes all areas of refining, petrochemicals and trade, and will enable us to generate higher added values for each raw material. The merger will enable us to better leverage our advantages and market, in tandem, fuels, polymers and aromatic products based on demand from the local and international markets.”

Mr. Ben Mordechai added that “Our current operating market dictates even more accelerated efficiency measures, though these measures do not relate to downsizing, but rather to increasing in-house activities while reducing outsourcing to contractors.”

Mr. Yossi Rosen, Chairman of the Board of Oil Refineries: “Oil Refineries operates in a highly volatile market and stands strong both its flexibility and response time in all areas of purchasing, trade and manufacturing optimization. The Company continues to implement its strategic plan with a view to enhancing its core businesses, preserving a relatively high EBITDA due to ongoing efficiency measures and declining overheads. Furthermore, the CAOL ORL merger serves as a focal point in the strategic plan to expand Oil Refineries' activities in the petrochemical areas while taking advantage of synergies to improve profitability and leverage, with a view to presenting long term growth. Once the transaction is completed, ORL will be unique in the East Mediterranean, integrating the capabilities of the petrochemical industries with its refining industry.

Mr. Rosen further commented on the delays in bringing the natural gas pipeline to the Haifa Bay: “Bringing the natural gas pipeline to the Haifa Bay is critical to the continued development of Northern Israel's industry, and this includes the Haifa bay area. The Israeli Government must move swiftly to fulfill its promise and complete the gas pipeline. The company and its subsidiaries have invested hundreds of millions of Shekels to prepare for the reception of the natural gas for immediate use, and following these substantial investments, which were based on the Governments' promises, they do not intend to invest in alternative means to reduce emissions.”

CONFERENCE CALL

The Company will also be hosting a conference call later today at 8:30am ET, 1:30pm UK time. On the call, management will present a **presentation** reviewing the third quarter and first nine months 2009 highlights and industry trends. The presentation is available for download from the Company's website www.orl.co.il: Investor Relations > Financial Reports.

To participate in the conference call, 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 number.

US Dial-in Numbers: 1 800 994 4498

UK Dial-in Number: 0 800 917 9141

Israel Dial-in Number: 03 918 0644

International Dial-in Number: +972 3 918 0644

at: 8:30am Eastern Time, 5:30am Pacific Time; 1:30pm UK, 3:30pm Israel

A replay of the call will be available, after the call, on the Company's website at www.orl.co.il.

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 9.8 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 Polymers and Aromatics through its holdings in Carmel Olefins Ltd and Gadiv Petrochemical Industries Ltd. The Company also provides power and heat services to industrial customers in the Haifa Bay, as well as infrastructure services. Oil Refineries' major shareholders are the Israel Corporation and Israel Petrochemical Enterprises, both public companies listed on the Tel Aviv Stock Exchange. The Company's shares are listed on the Tel Aviv Stock Exchange under the ticker ORL. For additional information please visit www.orl.co.il.

The above noted in this release includes forward-looking statements based on Company data, as well as Company plans and estimations based on this data. The activity, results and other data may be substantially different in reality given uncertainty and various risks, including those discussed under risk factors in the Company's financial statements and Director's reports.

Oil Refineries Ltd.
Condensed Consolidated Interim Statements of Financial Position

In thousand US Dollars

	As at		
	September 30, 2009	September 30, 2008	December 31, 2008
	(Unaudited)		(Audited)
<u>Current assets</u>			
Cash and cash equivalents	7,468	26,333	14,840
Deposits	77,247	-	25,000
Derivatives at fair value through profit or loss	522	3,106	15,374
Investments in other financial assets at fair value through profit or loss	108,588	131,320	101,509
Trade receivables	312,088	517,815	253,215
Other receivables	79,491	121,868	82,642
Inventory	868,216	1,150,429	569,407
Current tax assets	46,530	30,129	42,047
Total current assets	1,500,150	1,981,000	1,104,034
<u>Non-current assets</u>			
Investments in equity-accounted investees	35,844	40,197	36,005
Investments in available-for-sale financial assets (*)	10,510	-	-
Loan to Haifa Early Pensions Ltd.	73,126	93,864	84,740
Long term loans and debit balances	2,965	4,885	2,606
Derivatives at fair value through profit or loss	112,975	103,706	64,369
Employee benefit plan assets	5,877	6,689	5,007
Property, plant and equipment	1,161,698	1,066,178	1,083,446
Intangible assets and deferred expenses, net	24,992	24,816	25,170
Total non-current assets	1,427,987	1,340,335	1,301,343
 Total assets	 2,928,137	 3,321,335	 2,405,377

(*) See Note 8 F to the Company's financial statements for the periods ending September 30, 2009

Oil Refineries Ltd.**Condensed Consolidated Interim Statements of Financial Position (cont.)**

In thousand US Dollars

	As at		
	September 30, 2009	September 30, 2008	December 31, 2008
	(Unaudited)		(Audited)
Current liabilities			
Loans and credit	488,394	387,307	380,339
Trade payables	427,229	536,240	270,594
Other payables	81,997	160,155 (*)	70,971 (*)
Derivatives at fair value through profit or loss	26,954	3,398	1,853
Provisions	14,385	30,994	12,949
Total current liabilities	1,038,959	1,118,094	736,706
Non-current liabilities			
Debentures	736,253	817,816	726,554
Bank loans (**)	272,074	381,265	233,749
Liabilities for finance lease	8,816	9,452	8,448
Other long-term liabilities	7,581	8,964	7,394
Derivatives at fair value through profit or loss	5,558	732	6,900
Employee benefits	50,967	70,760 (*)	67,930 (*)
Liabilities for deferred taxes (***)	66,664	125,600	65,827
Total non-current liabilities	1,147,913	1,414,589	1,116,802
Total liabilities	2,186,872	2,532,683	1,853,508
Capital			
Share capital	472,478	472,478	472,478
Capital reserves	34,919	21,015	20,953
Retained earnings	233,868	295,159	58,438
Total capital	741,265	788,652	551,869
Total liabilities and capital	2,928,137	3,321,335	2,405,377

(*) Reclassified, see Note 2 D(1) to the Company's financial statements for the periods ending September 30, 2009

(**) See Note 8 H to the Company's financial statements for the periods ending September 30, 2009

(***) See Note 8 P to the Company's financial statements for the periods ending September 30, 2009

Oil Refineries Ltd.

Condensed Consolidated Interim Statements of Comprehensive Income

In thousand US Dollars

	Nine months ended September 30		Three months ended September 30		Year ended December 31
	2009	2008	2009	2008	2008
	(Unaudited)		(Unaudited)		(Audited)
Revenue	3,647,109	6,981,424	1,454,708	2,624,665	8,257,458
Cost of sales, refinery and services	3,360,451	6,738,068	1,340,590	2,574,325	8,324,149
Revaluation of open transactions in derivatives on prices of goods and margins, net	39,395	2,087	(8,468)	(31,456)	(7,465)
Total cost of sales	3,399,846	6,740,155	1,332,122	2,542,869	8,316,684
Gross profit (loss)	247,263	241,269	122,586	81,796	(59,226)
Selling expenses	31,275	32,215	13,425	11,029	40,582
General and administrative expenses	42,144	58,610	15,470	17,959	67,061
Negative goodwill arising on acquisition	-	(14,535)	-	(692)	(14,535)
Loss from the loss of material impact in a former equity-accounted investee (**)	7,091	-	-	-	-
Operating profit (loss)	166,753	164,979	93,691	53,500	(152,334)
Financing revenue	62,390	56,298(*)	18,119	(25,863)(*)	64,979
Financing expenses	(70,275)	(145,441)(*)	(34,477)	(25,702)(*)	(126,034)
Financing expenses, net	(7,885)	(89,143)	(16,358)	(51,565)	(61,055)
Group's share in profits (losses) of equity accounted investees, net of tax	4,711	437	873	(3,289)	(3,111)
Profit (loss) before taxes on income	163,579	76,273	78,206	(1,354)	(216,500)
Tax benefits (taxes on income)	3,149	(2,754)	21,912	1,396	107,292
Net profit (loss) for the period	166,728	73,519	100,118	42	(109,208)
Other components of comprehensive income					
Actuarial gains (losses) from a defined benefit plan, net	8,702	(5,050)	2,023	(4,885)	(9,318)
Foreign currency translation differences for foreign operations	168	(867)	195	(1,086)	(1,078)
Group's share of other comprehensive income of an equity accounted investee (**)	10,433	(10,339)	-	751	(10,433)
Change in fair value of available-for-sale financial assets, net of tax (**)	1,777	-	954	-	-
Other comprehensive income for the period, net of tax	21,080	(16,256)	3,172	(5,220)	(20,829)
Comprehensive income for the period	187,808	57,263	103,290	(5,178)	(130,037)
Earnings (loss) per share (USD)					
Basic and diluted earnings (losses) per ordinary share	0.083	0.037	0.050	(****)	(0.055)

(*) Reclassified, see Note 2 D (2) to the Company's financial statements for the periods ending September 30, 2009

(**) See Note 8 F to the Company's financial statements for the periods ending September 30, 2009

(***) See Note 8 P to the Company's financial statements for the periods ending September 30, 2009

(****) Less than \$0.001 to the Company's financial statements for the periods ending September 30, 2009

Due to first-time adoption of the revised IAS 1 commencing from January 1, 2009 in these financial statements, the presentation format of the statement of comprehensive income was changed. See also Note 3A (1) for a description of first-time adoption of the new standards.

Oil Refineries Ltd.

Selected Pro-forma Consolidated Data from the Report of the Board of Directors on the State of the Corporation's Affairs for the Period

In millions US Dollars

	Petrochemicals										Consolidated	
	Refining		Trade		Polymers		Aromatics		Adjustments to consolidated			
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	Nine months ended September 30											
Revenue	2,683	5,822	422	348	289	382	253	429	-	-	3,647	6,981
Inter-company operations	324	576	29	21	-	-	30	45	(383)	(642)	-	-
Total revenue	3,007	6,398	451	369	289	382	283	474	(383)	(642)	3,647	6,981
Cost of sales	2,797	6,182	449	360	146	158	8	40	-	-	3,400	6,740
Inter-company operations	30	45	-	-	116	204	234	389	(380)	(638)	-	-
Total cost of sales	2,827	6,227	449	360	262	362	242	429	(380)	(638)	3,400	6,740
Gross profit (loss)	180	171	2	9	27	20	41	45	(3)	(4)	247	241
Selling, general and administrative expenses	35	51	2	1	17	18	19	21	-	-	73	91
Inter-company operations	-	-	-	-	2	3	1	1	(3)	(4)	-	-
Operating profit (loss) for segments	145	120	-	8	8	(1)	21	23	-	-	174	150
Negative goodwill arising on acquisition											-	15
Loss from the loss of material impact in a former equity-accounted investee											(7)	-
Operating profit											167	165
Financing expenses											(8)	(88)
Share in profits of equity-accounted investees											5	-
Profit before income tax											164	77
Income tax											3	(3)
Net profit											167	74