



## **Oil Refineries Receives Two Announcements From Its 50%-Held Subsidiary Carmel Olefins**

**Haifa, Israel, December 16, 2008 - Oil Refineries Ltd. (TASE: ORL.TA) (the "Company" or "ORL")**, Israel's largest oil refiner, announced today that it has received the following two announcements from Carmel Olefins Ltd. ("CAOL", a 50%-held private company in which ORL has entered into an agreement to purchase the balance its shares as outlined in the Press Release of June 25, 2008).

1. The announcement of Midroog Ltd. regarding the downgrading of CAOL's debenture credit rating (Series A) from Aa2 with a Negative Outlook to A1 with a Stable Outlook, together with the main reasons for the rating.
2. CAOL's announcement to its shareholders with respect to the loss CAOL may present in its financial statements for FY 2008 ("CAOL's Announcement"). According to CAOL's Announcement, based on its initial estimates and currently available data at the time of the announcement, CAOL may present in its FY 2008 financial statements a loss to the amount of approximately US\$ 65 million. As outlined in the CAOL Announcement, CAOL's said assessment is a forward looking estimate. There is no assurance that the final loss that CAOL will present in its FY 2008 financial results will not be different from the above noted.

Both Midroog's announcement and CAOL's detailed announcement on the influencing factors drawing CAOL to make this announcement are available in Hebrew on the website of the Israeli Securities Authority ([www.magna.isa.gov.il](http://www.magna.isa.gov.il)) or Tel Aviv Stock Exchange ([www.maya.tase.co.il](http://www.maya.tase.co.il)). Furthermore, it is also available in Hebrew on the Company's website, under investor relations.

Furthermore, the Company announced today that the special general meeting for the Series C debenture holders that was due to be held today has been delayed to December 23, 2008 at 11:00am at the same venue. As announced November 26, 2008, the SGM is convening to nominate Hermatic Trusts (1975) Ltd. as trustee instead of Aurora Fidelity Trust Company Ltd. ("Aurora Fidelity"), and this, effective immediately following the SGM.

### **About Oil Refineries**

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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](http://www.orl.co.il)

## **Contacts**

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