



OIL REFINERIES ANNOUNCES THAT APPEAL FILED AGAINST RULING CLEARING CARMEL OLEFINS

Haifa, Israel, May 20, 2007 - Oil Refineries Ltd. (TASE: ORL.TA) ("Company", "ORL"), Israel's largest oil refiner, announces that, following the description in section 7.7.21.3 of ORL's prospectus published on February 13, 2007, and the Company's announcement from March 26, 2007, it has received notice from Carmel Olefins ("COL"), that the Israeli Ministry of Environment has filed an appeal on the Haifa magistrate court ruling clearing COL and several of its senior managers, from any criminal indictments filled in relation with the alleged emission of black smoke in 2003.

About Oil Refineries Ltd.

Oil Refineries Ltd. (ORL), located in the bay area of the city of Haifa, is 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

Contacts

Company Contact:
Jacob Hirsh
CFO, Oil Refineries
Tel. 972 4 878 8115
jhirsh@orl.co.il

Investor Relations Contact:
Ehud Helft \ Fiona Darmon
GK Investor Relations
Tel. 1 866 704 6710 \ 972 54 566 3221
info@gkir.com