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FOR IMMEDIATE RELEASE

**OIL REFINERIES ANNOUNCES RESULTS
FOR THIRD QUARTER & FIRST NINE MONTHS 2011**

Adjusted refining margin for the third quarter totaled USD/bbl 3.0, compared with benchmark average of USD/bbl 1.2

- *Adjusted consolidated EBITDA of \$33 million for the third quarter of 2011, compared with \$50 million in the same period last year.*
- *Net loss of \$25 million for the third quarter of 2011, compared with a net income of \$23 million in the same period last year.*
- *Net loss of \$9 million for the first nine months of 2011, compared with a net income of \$50 million in the same period last year.*
- *Adjusted refining margin in the third quarter of 2011 at USD/bbl 3.0, compared with USD/bbl 1.2 average Reuter's quoted Mediterranean Ural Cracking Margin*

Haifa, Israel, November 21, 2011 – Oil Refineries Ltd. (TASE: ORL.TA) (hereinafter “the Company,” “ORL”), Israel's largest integrated refining and petrochemical group, announced today its financial results for the third quarter and first nine months ending September 30, 2011. Results are reported in US Dollars and under International Financial Reporting Standards (IFRS). Results of operations and comparisons presented in this release reflect the financial restatement correction, as reported on November 18, 2011.

Mr. Pinhas Buchris, CEO of Oil Refineries: “Despite the lack of correlation between the changes that occurred in crude oil prices with the changes that occurred in the prices of petroleum products, which are expected to continue into the fourth quarter, ORL continues to maintain a significantly higher refining margin compared with the benchmark margin. Our ability to keep higher refining margins as compared with other refineries in the region, is a testament to ORL’s capability to determine the optimal configuration of quantity refined and product slate, across all of its production lines. The Company is showing stable margins in aromatics, along with record production stemming from operational improvements made as a result of recent renovations. The establishment of the hydrocracker is continuing on schedule with the commissioning of this facility, designated to produce cleaner fuels, expected by the end of the second quarter of 2012.”

Mr. Yossi Rosen, Chairman of the Board of Oil Refineries: “The continued volatility in the markets, along with the trend of falling oil prices in recent months resulting from the publication of weak macroeconomic data from the U.S. and Europe, and the drop in oil demand from OECD countries, led to a decrease, compared with the same period last year, in quantity refined in order to maintain optimization in the Company. ORL has so far invested about \$ 283 million, as part of its strategic plan, for the establishment of the hydrocracker. Once it starts commissioning, the facility is expected to contribute significantly to improving our refining margins, bettering our facilities’ capabilities and flexibility, and reducing the impact of the oil price volatility on the Company. The transition to natural gas significantly decreased our refinery emissions demonstrating that our transition was the correct course of action from an environmental perspective.”

Note: The start of 2011 saw a wave of political instability and riots in various Middle Eastern countries, including Libya, which is one of the world's major oil producers. This unrest, along with the earthquake in Japan in March, caused global market unrest and world crude oil prices to reach a record high of over \$125 a barrel in April of this year. From May until the publication of this report, the market was characterized by significant fluctuations along with falling oil prices due to weak macroeconomic data from the U.S. and Europe, declining oil demand in OECD countries, as well as the strengthening dollar. In June, the decline continued, following the U.S. decision to release about 60 million barrels of crude oil and petroleum products from its strategic stock. At the same time, the end of the period was characterized by a lack of financial stability of banks and countries in the Eurozone. Brent crude oil traded at the end of the reporting period at a cost of about \$105 a barrel. Lack of correlation between changes in crude oil prices with changes in the prices of petroleum products during the reporting period resulted in a severe volatility of refining margins. The average Reuters quoted Mediterranean Ural Cracking margin during the nine month reporting period ranged from about USD/bbl (4) to USD/bbl 7.0 a barrel and averaged USD/bbl 1.1 in this period. In the same period last year, the average Reuters quoted Mediterranean Ural Cracking margin totaled USD/bbl 2.9.

Brent Crude Oil Prices 2010-2011 (USD/bbl)



Source: Reuters

FIRST NINE MONTHS 2011 (\$ millions)

	Operating Profit		EBITDA	
	Q1-3/11	Q1-3/10	Q1-3/11	Q1-3/10
Refining Segment Adjusted	(29)	24	8	55

Petrochemicals Segment - Polymers	40	57	75	91
Petrochemicals Segment - Aromatics	35	20	40	24
Petrochemicals Segment - Lube-Oils	10	8	11	9
Trade Segment	(19)	(13)	(19)	(3)
Adjustments	(1)	(5)	-	(5)
Total adjusted consolidated	36	91	115	161

Quantity refined declined in the first nine months of 2011 by about 424 thousand tons, compared with the same period last year. The utilization rate during the reporting period stood at 87.8%, compared with a higher rate in the same period last year. This can be attributed to the decision to optimize production capacity taking current market conditions into consideration.

Adjusted refining margin in this reporting period of 2011 totaled USD/bbl 2.7, compared with the average Mediterranean Ural Cracking Margin quoted by Reuters of USD/bbl 1.1. Adjusted refining margin for the first nine months of 2010 totaled USD/bbl 3.1, compared with the average margin of USD/bbl 2.9.

It should be noted that there are differences between the Company's refining margin and the benchmark margin, including the crude oil composition (with the Company also refining crude oil types that are not Urals), the composition and quality of products produced by ORL, and the difference caused by the fact that the quoted margin takes into account same day buying and selling, while in fact there is a time gap in between the purchase date of raw materials and the sale date of the finished products. So while comparing the Benchmark margin with the Company's margin may provide some understanding about the development of the Company's margins, it does not constitute an accurate measure in evaluate the Company's margins in the short term.

Adjusted consolidated EBITDA in this reporting period totaled \$115 million, compared with \$161 million in the same period last year.

Financing expenses in the first nine months of 2011 totaled \$69 million, compared with \$28 million in the same period last year. The rise is attributed to fluctuations in hedging activities and an increase in bond and interest rates.

Consolidated net loss for the first nine months of 2011 totaled \$9 million, compared with a net income of \$50 million in the same period last year.

THIRD QUARTER 2011 (*\$ millions*)

	Operating Profit		EBITDA	
	Q3/11	Q3/10	Q3/11	Q3/10
Refining Segment Adjusted	(3)	(3)	9	8
Petrochemicals Segment - Polymers	(9)	27	3	37
Petrochemicals Segment - Aromatics	23	7	27	8
Petrochemicals Segment - Lube-Oils	3	2	4	3
Trade Segment	(7)	(4)	(7)	(4)

Adjustments	(1)	(2)	(2)	(2)
Total adjusted consolidated	6	27	33	50

Adjusted refining margin in Q3 2011 totaled USD/bbl 3.0, compared with the average Mediterranean Ural Cracking Margin quoted by Reuters of USD/bbl 1.2. Adjusted refining margin for the third quarter of 2010 totaled USD/bbl 1.7, similar to the average margin.

Adjusted consolidated EBITDA in Q3 2011 totaled \$33 million, compared with \$50 million in the same quarter last year.

Financing expenses in the third quarter of 2011 totaled \$21 million, compared with \$20 million in the same quarter last year.

Consolidated net loss for the third quarter of 2011 totaled \$25 million, compared with an income of \$23 million in the same quarter last year.

Key Developments in the First Nine Months 2011

- As part of the strategic plan regarding the establishment of the hydrocracker, the Company has executed up to the end of the reporting period: an investment amounting to about \$283 million (of a total investment of \$500 million) and took on additional commitments for its implementation, totaling approximately \$127 million. The project's progress is in line with the planned schedule with its commissioning expected towards the end of the second quarter of 2012.
- In addition, and in order to leverage potential synergies, the Company decided to invest about \$45 million for the production of polymers using existing raw materials already available in the refinery. The expected return of this investment is estimated at \$ 30 million per year (as of publication of this report, the Company has started the process of its commencement). Likewise, the Company decided also to invest \$60 million for expanding the production capacity of propylene, which is expected to yield a return of about \$50 million a year.

ADDITIONAL ANNOUNCEMENTS

The Company has made an amendment to its Transaction Report and Extraordinary General Meeting, from November 18, 2011. A convenience translation of this amendment will be available on the Company's website later this week.

CONFERENCE CALL

The Company will also be hosting a conference call today, November 21, 2011, at 14:00 UK time, 9:00 ET, 6:00 PST and 16:00 Israeli Time.

On the call, management will present a **presentation** reviewing the third quarter and first nine months 2011 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, 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 dial-in number.

US Dial-in Numbers: 1-888-668-9141
UK Dial-in Number: 0-800-917-5108
Israel Dial-in Number: 03-918-0609
International Dial-in Number: +972-3-918-0609

at: 14:00 UK Time, 9:00 ET, 6:00 PT, 16:00 Israel time. 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 integrated refining and petrochemical group. It is one of the leading refineries in the Eastern Mediterranean area and integrates, on-site, petrochemical businesses. ORL runs sophisticated and state-of-the-art industrial facilities with a refining capacity of 9.8 million tons of crude oil per year and 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's petrochemical sector produces Polymers (through its ownership of Carmel Olefins Ltd), Aromatics (through its ownership of Gadiv Petrochemical Industries Ltd), and Lube-Oils (through its ownership of Haifa Basic Oils Ltd). 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.

ORL is controlled by the Israel Corporation Ltd. and Israel Petrochemical Enterprises Ltd., both public companies whose shares are traded on the Tel Aviv Stock Exchange.

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.

Condensed Consolidated Interim Statement of Financial Position
USD thousands

	September 30, 2011	September 30, 2010	December 31, 2010
	(Unaudited)		(Audited)
Current assets			
Cash and cash equivalents	10,528	31,342	6,704
Deposits	20,044	84,846	126,991
Trade receivables	627,340	501,637	366,227
Other receivables	122,780	73,518	98,241
Financial derivatives	77,498	23,316	27,577
Investments in financial assets at fair value through comprehensive income	104,491	102,957	106,895
Inventory	1,176,343	1,190,655	1,200,922
Current tax assets	1,553	807	1,819
Total current assets	2,140,577	2,009,078	1,935,376
Non-current assets			
Investments in equity-accounted investees	9,188	16,580	16,455
Financial assets at fair value through other comprehensive income	7,300	11,165	17,701
Loan to Haifa Early Pensions Ltd.	70,640	74,142	77,014
Long term loans and debit balances	1,534	3,701	3,501
Financial derivatives	172,768	172,736	192,990
Employee benefit plan assets	6,297	10,536	7,922
Deferred tax assets	327	--	688
Property, plant and equipment	2,215,777	1,936,241	2,030,414
Deferred costs	12,075	9,154	12,535
Intangible assets	69,924	82,204	78,950
Total non-current assets	2,565,830	2,316,459	2,438,170
Total assets	4,706,407	4,325,537	4,373,546

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Financial Position
USD thousands

	September 30, 2011	September 30, 2010	December 31, 2010
	(Unaudited)		(Audited)
Current liabilities			
Loans and borrowings	993,206	760,178	773,792
Trade payables	734,303	673,699	619,037
Other payables	89,823	118,225	102,099
Current tax liabilities	23,159	23,828	24,278
Financial derivatives	42,009	56,155	85,443
Provisions	9,633	11,507	9,231
Total current liabilities	1,892,133	1,643,592	1,613,880
Non-current liabilities			
Bank loans	784,584	501,807	624,468
Debentures	780,632	869,816	872,421
Liabilities for finance lease	9,335	9,187	9,491
Financial derivatives	15,494	12,655	5,195
Employee benefits	70,845	59,201	70,537
Deferred tax liabilities	63,648	127,360	53,808
Total non-current liabilities	1,724,538	1,580,026	1,635,920
Total liabilities	3,616,671	3,223,618	3,249,800
Capital			
Share capital	586,390	586,390	586,390
Share premium	100,242	100,242	100,242
Reserves	88,835	41,103	45,516
Retained earnings	314,269	374,184	391,598
Total capital	1,089,736	1,101,919	1,123,746
Total liabilities and capital	4,706,407	4,325,537	4,373,546

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Comprehensive Income
USD thousands

	Nine months ended		Three months ended		Year ended
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010	December 31, 2010
	(Unaudited)		(Unaudited)		(Audited)
Revenue	7,456,394	5,295,924	2,745,717	1,713,114	6,791,809
Cost of sales, refining and services	7,226,447	5,101,206	2,625,760	1,609,507	6,561,599
Revaluation of open positions in derivatives on prices of goods and margins, net	30,311	859	79,050	36,627	32,052
Total cost of sales	7,256,758	5,103,065	2,704,810	1,646,134	6,593,651
Gross profit	199,636	192,859	40,907	66,980	198,158
Selling and marketing expenses	77,959	80,073	27,673	24,078	99,282
General and administrative expenses	39,384	43,331	8,489	10,048	57,955
Operating profit	82,293	69,455	4,745	32,854	40,921
Financing income	20,844	87,632	(14,460)	28,355	89,330
Financing expenses	(89,756)	(115,894)	(6,801)	(48,178)	(140,439)
Financing expenses, net	(68,912)	(28,262)	(21,261)	(19,823)	(51,109)
Company's share in earnings (losses) of equity accounted investees, net of tax	(8,404)	600	(4,866)	258	476
Profit (loss) before taxes on income	4,977	41,793	(21,382)	13,289	(9,712)
Tax benefits (income tax)	(14,450)	8,030	(3,262)	9,804 ^(*)	82,781
Profit (loss) for the period	(9,473)	49,823	(24,644)	23,093	73,069
Items of other comprehensive income (loss)					
Actuarial gains (losses) from a defined benefit plan, net of tax	(403)	108	(485)	212	(5,724)
Foreign currency translation differences for foreign operations	336	(176)	(483)	642	(309)
Effective share of the change in fair value of cash flow hedging, net of tax	(2,973)	4,995	(1,992)	4,995	3,529
Change in fair value of financial assets at fair value through other comprehensive income, net of tax	(9,153)	210	(4,390)	1,669	6,143
Net change in fair value of debentures designated at fair value through comprehensive income, attributable to change in credit risk, net of tax	34,979	--	33,003	--	--
Other comprehensive income for the period, net of tax	22,786	5,137	25,653	7,518	3,639
Comprehensive income for the period	13,313	54,960	1,009	30,611	76,708
Earnings (loss) per share (USD)					
Basic and diluted earnings (loss) per ordinary share	(0.004)	0.020 ^(*)	(0.010)	0.009 ^(*)	0.030

The accompanying notes are an integral part of the condensed consolidated interim financial statements

Results of the Group's operations

The following table presents selected information of the Group for the nine months period (USD millions)

	Petrochemicals												Consolidated	
	Refining		Trade		Polymers		Aromatics		Oils		Adjustments to consolidated			
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	Nine months ended September 30													
Revenue	5,739	3,951	166	130	930	772	538	383	83	59	--	--	7,456	5,295
Inter-company operations	1,035	735	--	--	--	--	45	31	--	--	(1,080)	(766)	--	--
Total sales	6,774	4,686	166	130	930	772	583	414	83	59	(1,080)	(766)	7,456	5,295
Cost of sales	6,650	4,576	180	139	373	323	18	28	23	17	--	--	7,244	5,083
Inter-company operations	44	31	1	--	479	351	507	343	47	33	(1,078)	(758)	--	--
Total cost of sales	6,694	4,607	181	139	852	674	525	371	70	50	(1,078)	(758)	7,244	5,083
Gross profit (loss)	80	79	(15)	(9)	78	98	58	43	13	9	(2)	(8)	212	212
Selling, general and administrative expenses	43	48	4	4	38	39	22	22	3	1	--	--	110	114
Inter-company operations	--	--	--	--	--	2	1	1	--	--	(1)	(3)	--	--
	43	48	4	4	38	41	23	23	3	1	(1)	(3)	110	114
Operating profit (loss) for segments	37	31	(19)	(13)	40	57	35	20	10	8	(1)	(5)	102	98
Amortization of excess cost arising on acquisition of investees													(20)	(29)
Operating profit													82	69
Financing expenses, net													(69)	(28)
Company's share in earnings (losses) of equity accounted investees, net of tax													(8)	1
Profit before income tax													5	42
Tax benefits (income tax)													(14)	8
Profit (loss) for the period													(9)	50

Oil Refineries Ltd.

The following table presents selected information of the Group for the three months period (USD millions)

	Petrochemicals												Consolidated	
	Refining		Trade		Polymers		Aromatics		Oils		Adjustments to consolidated			
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	Three months ended September 30													
Revenue	2,153	1,306	37	34	315	237	210	116	30	20	--	--	2,745	1,713
Inter-company operations	372	248	--	--	--	--	23	8	--	--	(395)	(256)	--	--
Total sales	2,525	1,554	37	34	315	237	233	124	30	20	(395)	(256)	2,745	1,713
Cost of sales	2,487	1,522	43	38	159	72	12	4	--	5	--	--	2,701	1,641
Inter-company operations	24	8	--	--	153	127	190	106	26	12	(393)	(253)	--	--
Total cost of sales	2,511	1,530	43	38	312	199	202	110	26	17	(393)	(253)	2,701	1,641
Gross profit (loss)	14	24	(6)	(4)	3	38	31	14	4	3	(2)	(3)	44	72
Selling, general and administrative expenses	11	14	1	--	12	10	8	7	1	1	--	--	33	32
Inter-company operations	--	--	--	--	--	1	--	--	--	--	--	(1)	--	--
	11	14	1	--	12	11	8	7	1	1	--	(1)	33	32
Operating profit (loss) for segments	3	10	(7)	(4)	(9)	27	23	7	3	2	(2)	(2)	11	40
Amortization of excess cost arising on acquisition of investees													(7)	(7)
Operating profit													4	33
Financing expenses, net													(21)	(20)
Company's share in earnings (losses) of equity accounted investees, net of tax													(5)	--
Profit (loss) before taxes on income													(22)	13
Tax benefits (income tax)													(3)	10
Profit (loss) for the period													(25)	23

