



**- Convenience translation from Hebrew -  
The binding version is the Hebrew version only**

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**OIL REFINERIES LTD.**

August 22, 2010

The Securities Authority Ltd.  
Through the Magna System

The Tel Aviv Stock Exchange  
Through the Magna System

Dear Madam/Sir,

**Re: Immediate Report -- the Company's Engagement in a Financing Agreement  
with the Guarantee of the American Export Credit Agency**

Further to the Company's report of June 30, 2010 (document no. 2010-01-537459) regarding the company's engagement with a consortium of Israeli financiers in a financing agreement for up to US\$600 million ("**The Financing Agreement with the Local Syndicate**"), the Company is pleased to report that it engaged in a financing agreement with an American financing institution, with a guarantee of the American Export Credit Agency ("**Financing Agreement**").

In the context of the financing agreement, the Company will be provided with a credit line of US\$300 million, secured by the American Export Credit Agency ("**the Credit**"). Repayment of the credit will be made in 20 semi-annual installments over a period of 10 years, as from October 2012. In the framework of the financing agreement, the Company undertook, inter alia, to meet financial covenants similar to the covenants included in the Financing Agreement with the Local Syndicate. The credit is not secured by collateral. The Company may terminate the financing agreement or making an early repayment of the credit subject to paying agreed cancellation fees. In addition, the financing agreement has immediate repayment provisions which are customary in such financing agreements.

In the context of the Financing Agreement various preconditions have been set for withdrawing the first credit, including the closing of the Financing Agreement with the Local Syndicate.

The credit is intended to provide, together with the Financing Agreement and the Local Syndicate, the Company's credit requirements up to the end of 2012, including the financing required to make investments in accordance with the Company's strategic plan, including the erection of a hydrogen cracking plant, and as well as the repayment of long-term credit.

The engagement in the above-mentioned agreement in this report was one of the pre-conditions for the closing of the Local Syndicate's financing Agreement. The Company is taking steps to complete a number of additional pre-conditions set forth in the Financing Agreement with the Local Syndicate, and this in order to complete the process.

Yours sincerely,

Oil Refineries Ltd.