



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

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**Immediate Report Regarding Natural Gas Agreement**

In continuance with previous Company reports regarding the start of natural gas consumption, the Company is pleased to announce that on May 20, 2011, it signed an agreement with "Tethys Sea" Group<sup>1</sup> for the purchase of natural gas totaling about 1.2 BCM, for the Company and its subsidiaries for a period of 27 months, commencing on June 1, 2011 (the "Basic Term of the Agreement"). The contract consideration will be paid in installments, during the term of the agreement, or in a shorter period of time, should the Company consume the amount agreed before the end of the Basic Term of the Agreement. The agreement does not include commitment of the Company for the scope or rate of the gas consumption from the supplier during the Basic Term of the Agreement. Should the Company not consume the amount contracted over the Basic Term of the Agreement, an additional period will be added to allow the company to consume the contractual amount. The pricing is based on fixed and variable components that are determined according to a pricing formula which is based on oil prices and which include a "floor" but no "ceiling". The total estimated financial value of the agreement (based on the value at the signing of the agreement) is about \$350 million. The Company estimates that its contracts for natural gas purchases with two vendors will allow it to quickly switch over to natural gas for a continuous supply in order to meet its needs.

The company estimates the financial value of the agreement, the contracted time period for supply and the use of the contracted amount, including the rate of the transition to gas use and the rate of gas usage, constitutes forward-looking information as defined by the Israeli Securities Law and there is no certainty that they will be as estimated above, since these depend on - inter alia - on a number of factors, including oil prices as well as the rate and timing of the consumption of natural gas by the Company.

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Oil Refineries Ltd.

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<sup>1</sup> Noble Energy Mediterranean Ltd, Delek Drilling Limited Partnership, Avner Oil Exploration Limited Partnership, and Delek Investments & Properties Ltd.), a SPOT natural gas