



OIL REFINERIES' SEEKING TO COMPLETE MERGER OF COMPANY WITH CARMEL OLEFINS BY YEAR END 2009

Haifa, Israel – September 23, 2009 - Oil Refineries Ltd. (TASE: ORL.TA) (the "Company" or "ORL"), Israel's largest oil refiner, announced today that following the Company's announcement of January 1, 2009 relating to the merger transaction between the Company and Carmel Olefins Ltd. ("CAOL"), in which the Company holds 50%, the Company is pleased to announce that together with Israel Petrochemical Enterprises Ltd. ("IPE"), which holds the balance of shares in CAOL, the parties are moving to bring about the merger of the Company and CAOL by year-end 2009 resulting in the Company holding 100% of CAOL's share capital in exchange for additional Company share allocations to IPE.

With regards to the said negotiations, the Company and IPE have requested the office of Swary and Co. Requesting update its prior evaluations of both the Company and CAOL.

The merger culmination is subject to undertaking and completing the negotiations, signing an agreement between IPE and the Company, receipt of approvals from the relevant entities including the Company's shareholders as well as third party approvals. There is therefore, at this stage, no certainty whether the said activity will bring about an agreement and the completion of the merger.

About Oil Refineries

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

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