



## **OIL REFINERIES SUBSIDIARY CARMEL OLEFINS ACQUIRES 49% OF NETHERLAND-BASED DOMO POLYPROPYLENE**

**Haifa, Israel, January 24, 2008 - Oil Refineries Ltd. (TASE: ORL.TA) (the "Company" or "ORL"),** Israel's largest oil refiner, announced today that a wholly owned foreign subsidiary of Carmel Olefins Ltd. (a private company in which ORL holds 50%, hereinafter: "COL") signed an agreement to acquire 49% of the outstanding share capital of Domo Polypropylene BV (hereinafter: "Domo").

The said agreement follows the letter of intent signed between the parties on November 1, 2007, the terms and conditions of which are outlined in detailed in section 7.7.21.5 of the Prospectus filed by the Company on November 28, 2007. To the best of the Company's knowledge, there has been no material change in the terms outlined in the agreement, from the terms agreed upon in the letter of intent outlined in the Company's Prospectus.

Domo, incorporated in the Netherlands, is active in the manufacturing and marketing of Polypropylene, which serves as a raw material in the plastics industry for a variety of uses and products. Domo owns one Polypropylene manufacturing facility, located in the Netherlands with manufacturing capacity of 180,000 ton Polypropylene per annum. Domo's revenues for full year 2006 and for the nine month period ending September 30, 2007, totaled approximately 176 million Euro and 154 million Euro, respectively. Domo's net income for the said periods totaled approximately 1 million Euro and 6.3 million Euro, respectively. Completion of the transaction is subject to the approval of the relevant anti-trust authorities as well as the receipt of an environmental report with respect to the condition of the ground on which the Domo plant is situated.

This acquisition is COL's first acquisition of a foreign manufacturing plant under its strategy to identify opportunities for the acquisition of foreign companies active in its business areas. This acquisition is in line with ORL's strategy to expand its businesses, including in petrochemicals, while identifying, among others, expansion opportunities abroad.

### **About Oil Refineries Ltd.**

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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](http://www.orl.co.il).

## **Contacts**

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