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

Re: Bonus to CEO and Update of his Salary

The Company hereby announces that on March 18, 2010, the Company's board of directors (following the audit committee's resolution of March 14, 2010) adopted a resolution to approve the payment of an annual bonus to the Company's CEO of NIS 1 million for his overall activity in year 2009 and a special supplementary bonus in the additional sum of NIS 600 for his decisive contribution to the merger between the Company and Carmel Olefins Ltd. ("**CAOL"**), both to the formal aspects of the transaction as well as to the aspects of the internal organization by the Company, and to the formulation of a financing package that provides a four-year solution for the Company's financing needs, including for the hydrocracker project.

The said resolutions by the board of directors and the audit committee were adopted on the basis of the following considerations: (1) the CEO's contribution to the Company's organization for operations in a year of global economic crisis, while streamlining all areas of the Company's operations; (2) the CEO's contribution to the operating results in 2009, in absolute terms and with reference to the economic situation in Israel and worldwide during the year; (3) during 2009, the CEO waived 10% of his salary (except for social benefits); (4) compensation on the basis of excellence is the accepted practice in leading business companies and also in the Company; (5) the level of the bonuses to the CEO was examined by the board of directors and the audit committee, together with all of the elements of compensation to which he is entitled, and was found appropriate relative to his special contribution to the Company's operating results.

In the estimation of the audit committee and the board of directors, based on the data brought before them, the bonuses and the full compensation amount to which the CEO is entitled are commensurate and do not exceed the accepted practice in other companies in the economy having a volume of activity similar to the Company.

With the full range of considerations, the audit committee and board of directors found that there is full justification for payment of the bonuses, which are commensurate, appropriate and reasonable under the circumstances.

Likewise, on the above dates, the audit committee and the board of directors resolved to update the CEO's salary by approx 5% to the sum of NIS 129,000 (linked to the Consumer Price Index as from 1.4.2010).

The resolution regarding the CEO's salary update was adopted for the following principle reasons: the satisfaction of the Company's board of directors with the CEO's overall performance over time, the change and broadening of the CEO's position upon the closing of the acquisition of CAOL shares by the Company and execution of the merger, a comparison of the CEO's salary with that prevailing in other companies in the economy, including other companies in the group of companies to which ORL belongs having a volume of activity relevant for comparison purposes, the present salary of the CEO, which was determined in 2007 and has not been updated since.

For information on the compensation of the Company's CEO in 2009 and the terms of his employment, see Regulation 21 in Chapter D of the Company's Periodic Report for 2009, which was published on March 18, 2010.

The granting of the bonus and salary update do not constitute – in the estimation of the audit committee and the board of directors – an exceptional transaction, since the compensation of senior management, including through an earnings bonus, is part of the Company's ordinary course of business, the level of the bonus and the level of the salary after the update do not exceed that acceptable in other companies in the economy of a similar size to the Company, and the granting of the bonus or salary update do not have a material effect on the Company. Notwithstanding the aforesaid, and for the sake of caution, the earnings bonus for the CEO was brought for approval of the audit committee.