



OIL REFINERIES SUBSIDIARY, CARMEL OLEFINS, ADDRESSES MINISTRY OF ENVIRONMENT'S DEMAND

Haifa, Israel, May 26, 2008 - Oil Refineries Ltd. (TASE: ORL.TA) ("Oil Refineries" or the "Company") announced that, following its announcement on May 20, 2008, with regard to Carmel Olefins Ltd.'s (a 50%-held private company) (hereinafter "CAOL"), the Company was notified by CAOL, that, in turn, CAOL informed the Ministry of Environmental Protection of its intention, in coordination with the Company, to temporarily close all of CAOL's facilities for a duration of 9 days, starting from May 25, 2008 (hereinafter "the Temporary Cessation").

As part of the Temporary Cessation, CAOL will perform various activities to assure that BAT technologies (Best Currently Available Technology), currently installed at the CAOL flare, will operate based on best practices, including backups required to prevent malfunctions.

Furthermore, CAOL has informed the Company that when the Temporary Cessation is completed, CAOL will see itself as complying with all of the requirements set by Ministry of Environmental Protection with respect to the CAOL flare.

At the same time, and in coordination with CAOL, the Company will, during the above noted dates, cease operation of the Company's flare, stationed together with the CAOL flare on the same pole. This is being done in order to perform maintenance, in parallel with a one week cessation of certain units, and is not expected, in the Company's opinion, to have a material impact on overall activities.

About Oil Refineries Ltd.

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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