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FOR IMMEDIATE RELEASE

OIL REFINERIES RECEIVES REQUEST TO PAY SEWAGE LEVY

Haifa, Israel, December 27, 2009 - Oil Refineries Ltd. (TASE: ORL.TA) (hereinafter: the "Company", "ORL"), Israel's largest oil refiner, announced that it has received a request from the Municipality of Haifa for the payment of a Sewage Levy to the amount of NIS 118 million. Based on the request details, the Company must pay the Sewage Levy within 30 days, while submitting an appeal on the charge, will not delay the payment requirement.

The Company vacates its sanitary discharges through a sewage line which it built, at its expense, and therefore appealed to the Haifa Municipality, and in turn the Municipality has requested a pause to review the payment request. Despite this, the Municipality has notified the Company that it will not agree to delaying the payment date for the review and additional clarifications be completed, therefore the Company will move to guarantee its rights in the matter is exhausted, as per all laws.

Following initial review, the Company believes that it has good claims against the said request. To the best of the Company's knowledge, additional companies whose factories are located near the Haifa Refinery, also received Sewage Levy payment requests. These companies include Carmel Olefins Ltd (a 50% subsidiary regarding which the Company has entered into an agreement to purchase the balance of its shares), which has been requested to pay a Sewage Levy to the amount of NIS 27 million, and which also evacuates its sanitary sewage through the sewage line built by the Company, as well as Gadiv Petrochemical Industries (a wholly owned subsidiary), which has been requested to pay NIS 9.5 million.

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 9.8 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 Polymers (through Carmel Olefins Ltd.) and Aromatics (through wholly-owned Gadiv Petrochemical Industries 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