



COURT RULING CLEARS CARMEL OLEFINS OF CRIMINAL INDICTMENT RELATING TO ALLEGED SMOKE EMISSION

Haifa, Israel, March 27, 2007 - Oil Refineries Ltd. (TASE: ORL.TA), Israel's largest oil refiner, announced that following notice received from its 50% owned subsidiary Carmel Olefins ("COL"), COL, its general manager and another four of its senior managers have been cleared, in a court ruling from March 25, 2007, from any criminal indictments filled against them. The ruling relates to the alleged emission of black smoke that occurred on September 15, 2003 and October 5, 2003, mentioned in section 7.7.21.3 of ORL's prospectus published on February 13, 2007.

About Oil Refineries Ltd.

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

Contacts

Company Contact:

Jacob Hirsch
CFO, Oil Refineries
Tel. 972 4 878 8115
jhirsh@orl.co.il

Investor Relations Contact:

Ehud Helft \ Fiona Darmon
GK Investor Relations
Tel. 1 866 704 6710 \ 972 54 566 3221
info@gkir.com