



## OIL REFINERIES NOTIFIED ON LEGAL CLAIM FILED AGAINST SUBSIDIARY CARMEL OLEFINS

**Haifa, Israel, October 27, 2008 - Oil Refineries Ltd. (TASE: ORL.TA) (the "Company")**, Israel's largest oil refiner, announced that it has received a notification from its subsidiary, Carmel Olefins Ltd. (a private company in which the Company holds 50%, and in respect to which the Company has signed an agreement to purchase the balance of its shares as outlined in the press release dated June 25, 2008) (hereinafter: "CAOL").

Under the notification-

- On October 23, 2008 CAOL was presented with a request for the classification of a class action claim, as defined under the Class Action Law – 2006, filed by Mr. Arye Bernstein, on October 5, 2008, with the Tel-Aviv District Court (hereinafter: the "Requestor" or the "Request", respectfully). The Request was filed with respect to non-monetary damages caused, according to the Requestor, as a result of two smoke emissions events which occurred on September 15, 2003 and October 5, 2008 (hereinafter: "the Events")
- The Requestor asks, in his Request, to represent the citizens of the Haifa Bay area and those who were present in the area (hereinafter: the "Group") and were exposed to the smoke emissions on the said dates.
- The Requestor claims that each of the members of the Group is to be compensated NIS 1,000 with respect to the damages claimed to have been caused.
- The Request does not quote the estimated number of the Group's members and does not quote the total amount that the Requestor claims needs to be compensated to the Group.
- The Request argue to have been filed following the results of the criminal process held against CAOL, under which CAOL was convicted, at its own admission, in a revised indictment relating to the events, by the Israeli Supreme Court.
- CAOL is currently studying the Request with the assistance of its legal advisors.

The Company is not able to evaluate the chances and consequences of the claim at this time.

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

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