

**-Convenient Translation from Hebrew-
Oil Refineries Ltd. ("The Company")**

July 27, 2008

Messrs
Israeli Securities Authority
By electronic means

Messrs
Tel Aviv Stock Exchange
By electronic means

Dear Madam/Sir,

Re: Immediate Report

On July 24, 2008, the Company was notified by Aurora Fidelity Trust Company Ltd. (hereinafter: the "Trustee") on the expiration of its capacity as trustee for the Company's debenture holders (series C), under Regulation 35 [14(A)(3)] of the Securities Regulations – 1968.

Based on the Trustee's notification, the above expiration of its capacity as trustee results from a conflict of interest that has risen, in the Trustee's opinion, as a result of the merger agreement, which became valid at the beginning of May 2008, between the accounting firm of Zohar, Zohar and Partners, a controlling shareholder in the Trustee, and the accounting firm Brightman Almagor, which serves as the accounting auditor of Carmel Olefins Ltd., a subsidiary of the Company.

The Trustee claims, based on the Israel Security Authorities decision from 26 July, 2005, that continuing to render trustee services to the Company's debenture holders, under the said circumstances, will create a conflict of interest, forbidden by law.

To the best of the Company's knowledge, the expiration of the Trustee's capacity as trustee is not specifically related to the Company's debentures (Series C), for which he serves as trustee.

The Company and the Trustee will take the necessary measures in order to nominate an alternate trustee. Until the nomination of such alternate trustee, the Trustee will continue to hold the position.

Oil Refineries Ltd.