



## **PRIME MINISTER GRANTED APPROVAL TO ISRAEL CORPORATION AND ITS SHAREHOLDERS TO CONTROL ORL.**

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**Haifa, Israel, June 28, 2007 - Oil Refineries Ltd. (TASE: ORL.TA)**, Israel's largest oil refiner, announced today that it received a written announcement from the Israeli Government Companies Authority that the Prime Minister and the acting Finance Minister signed on June 27 2007 the permit for the Israel Corporation Ltd. and its controlling shareholders, to control and holds means of control in Oil Refineries Ltd. The Israeli Government Companies Authority added that the controlling permit was delivered to Israel Corporation Ltd and that it is subject to conditions, which according to the information and clarification that were submitted by those who received the permit, were met at the date of the granting of the permit. Attached is an Immediate Report of the Israel Corporation regarding this issue.

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**The below is a non binding translation from Hebrew –for convenience purposes only.**

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### **Israel Corporation Letterhead**

June 28, 2007

Israeli Securities Authority

22 Kanfei Nesharim Street

Jerusalem 95464

(By electronic means)

Tel Aviv Stock Exchange Ltd.

54 Achad Ha'am Street

Tel-Aviv 65202

(By electronic means)

Gentlemen:

**Re: Approval to control ORL**

Following the Immediate Reports published on June 27 regarding the granting of permit to control ORL, Israel Corporation (The Company) is honored to announce that it received the government approval in writing, signed by the Prime Minister and the acting finance Minister, to control and hold means of control in Oil Refineries Ltd. (hereafter the Permit and ORL).

The Approval is subject to fulfilling of the requirements, the conditions, and the commitments which are set in it, by the Company and its controlling shareholders as detailed in the Permit (Mr. Idan Ofer, Mr. Eyal Ofer and Mr. Udi Angel) (hereafter the Owner of the Permit) including maintaining the current holding structure in the Company and in ORL and the forbiddance of transferring the control in them without the approval of the Government.

According to the Permit, the Owner of the Permit is permitted to be the controlling shareholder of ORL and to hold 24% or more in the controlling means in ORL. This is as long as the direct holder in the control and the means of control in ORL is only the Company, and the control in ORL will be exercised according to the company's sole and absolute discretion.

In addition, as long as the company is the controlling shareholder in ORL and Paz Oil Company Ltd. (hereafter Paz) controls the Ashdod Oil Refineries Ltd. (hereafter ORA) and Bank Leumi Ltd. (hereafter the Bank) has the right or the ability to nominate, recommend, or prevent the nomination of directors in the Company and in Paz, certain restrictions were set as to the nomination of directors on behalf of the Bank in the Company, ORL and Paz, to the involvement of the Bank, or of anyone on its behalf in the nomination of directors in ORL and in discussions and decisions of the Company relating to ORL and ORA and with regard to the transfer of information from the Company to the Bank in relations to ORL.

The Company intention is to nominate Mr. Yossi Rosen as the Chairman of the Board of ORL.

### **About Oil Refineries Ltd.**

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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)

### **Contacts**

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