

Oil Refineries Ltd.

Third Quarter and First Nine Month 2009 Results



November 2009

November 2007

ORL

Oil Refineries Ltd.

Disclaimer

- This presentation has been prepared by Oil Refineries Ltd. (the "Company") as a general presentation of the Company and its financial results. The information included in the presentation and any other information communicated by the Company while the presentation is being given (all such information as aforesaid or any part thereof - the "Information") is presented for convenience purposes only. The Information does not constitute a basis for investment decision, or replace the need for carrying out independent collection of information and analysis of the Information nor does the Information purport to make or give any recommendation and/or opinion and/or to substitute for the independent judgment of any potential investor.
- The Company does not warrant the completeness or accuracy of the Information and it disclaims any responsibility for any damages and/or losses whatsoever resulting from the use of the Information.
- In case of contradiction or inconsistency between the Information and information recorded in the Company's ledgers and/or appearing in official publications, such recorded information will prevail.
- The Information may contain various forward-looking statements based on current data and expectations. Actual operations, results and other data may differ materially from those stated in such forward-looking statements, owing to various uncertainties and risks, including the risk factors referred to and discussed in the Company's financial statements and Management Discussion and Analysis as published by the Company.
- The Company assumes no obligation to update the said data and expectations or any other part of the Information.

Agenda

- Acquisition of Entire Shareholding in CAOL
- Implementation of Strategic Plan
- Review of Operating Environment
- Third Quarter and Nine Months 2009
 - Consolidated Results
 - Review of Main Segments' Performance

Strategic Plan



Oil Refineries CAOL Merger

Transaction Structure

ORL/IPE Negotiated Agreement

Commanded Updated Evaluations*:

- ORL valued between: \$1,938 – \$2,097m
- CAOL valued between: \$834 – \$901m
- ORL /CAOL conversion ratio: 16.8% - 18.6% (post allotment)

ORL signed agreement with IPE to acquire 50% of CAOL:

- Shares acquired in exchange for 17.75% of ORL (post allotment)

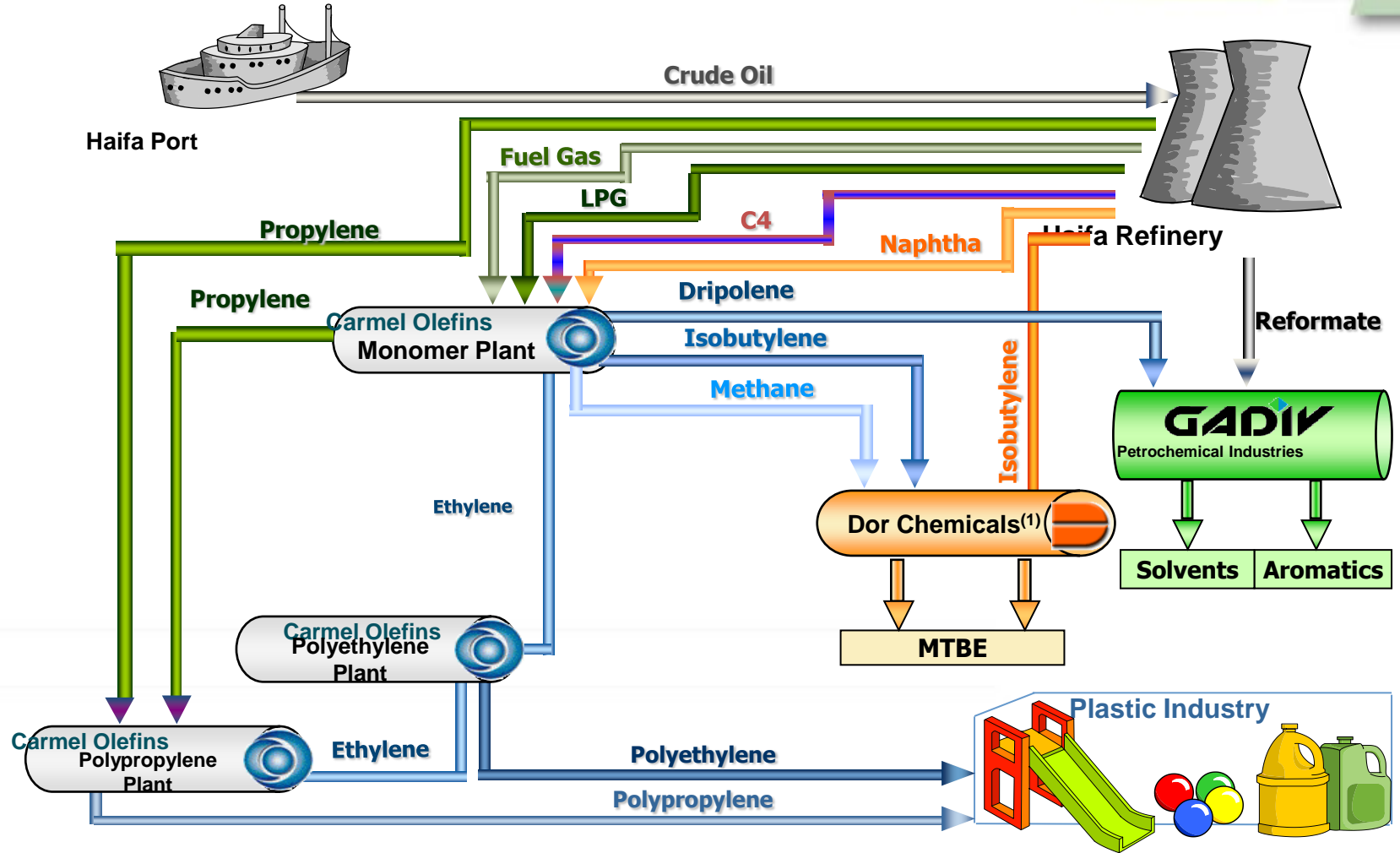
Result of Transaction:

- ORL's holding in CAOL: 100%
- IPE's holding in ORL: 30.7%
- Israel Corp.'s holding in ORL: 37.1%
- Other holdings in ORL: 32.2%

* Valuation determined by Prof. Swary with Fairness Opinion by Prof. Amir Barnea for ORL and Prof. Yoram Eden for IPE.

Petrochemical Integration

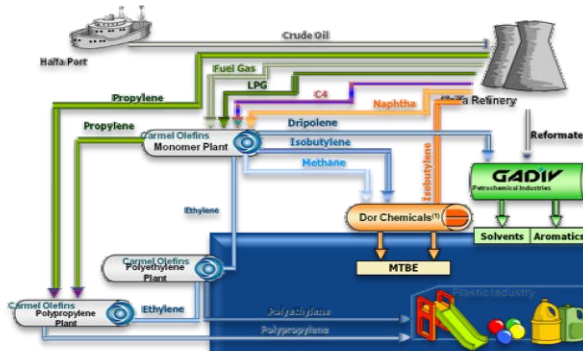
Unique Synergies Resulting from ORL-CAOL Merger



Source: Company data.
 (1) Not owned by ORL.

Oil Refineries-CAOL Synergies

Unique Synergies Resulting from ORL-CAOL Merger



**a Stronger
Unified Group**

- **Combined financially-sound group countering industry cyclicality**
- **Optimize utilization of various feedstocks**
 - Efficient utilization of intermediate products driving higher added value
- **Leverage operating efficiencies to enhance value**
 - Mutual brainstorming between professionals
 - Combine corporate HQs to achieve operating efficiencies
 - Optimal investment planning to realize maximum value in crude oil, fuel products, aromatics and polymers

Strategic Plan - On Track

Projects Operational in 2009

Conversion of HVGO HDS to Mild Hydrocracker

- Completed in April 2009 – Increases complexity (Phase two mid-10)
- Contributing to higher refining margins
- Surpassed expectations: increased Gasoil refining capacity by 2%

Completed Crude Unit 4 Shutdown and Upgrade

- Upgraded unit to increase flexibility and utilization;
- Increased refining capacity to 197kbpd; can refine larger variety of crudes

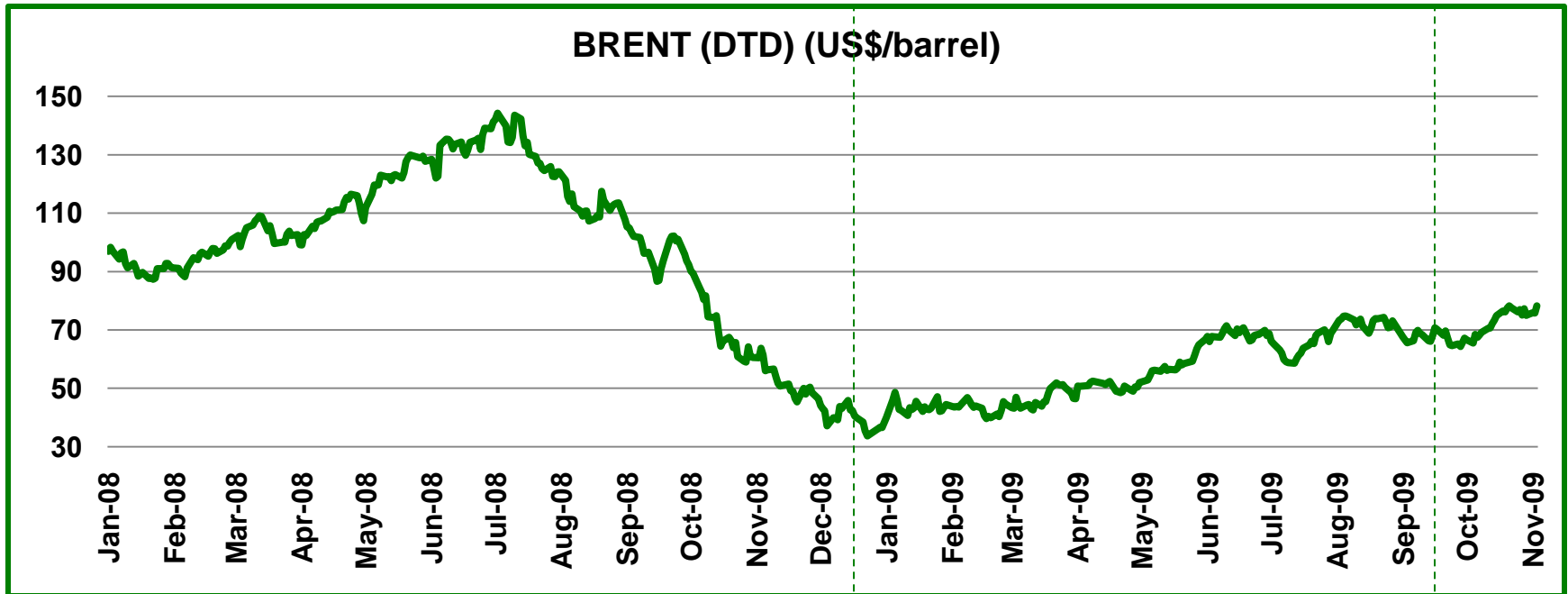
Merging Carmel Olefins into ORL

Hydrocracker Investment

- Planning Stage Completed
- Organizing Financing: Discussions with Government Backed Export Credit Agencies (ECAs), Israel Banking Sector and local capital market
- Activation planned end-2011 early-2012

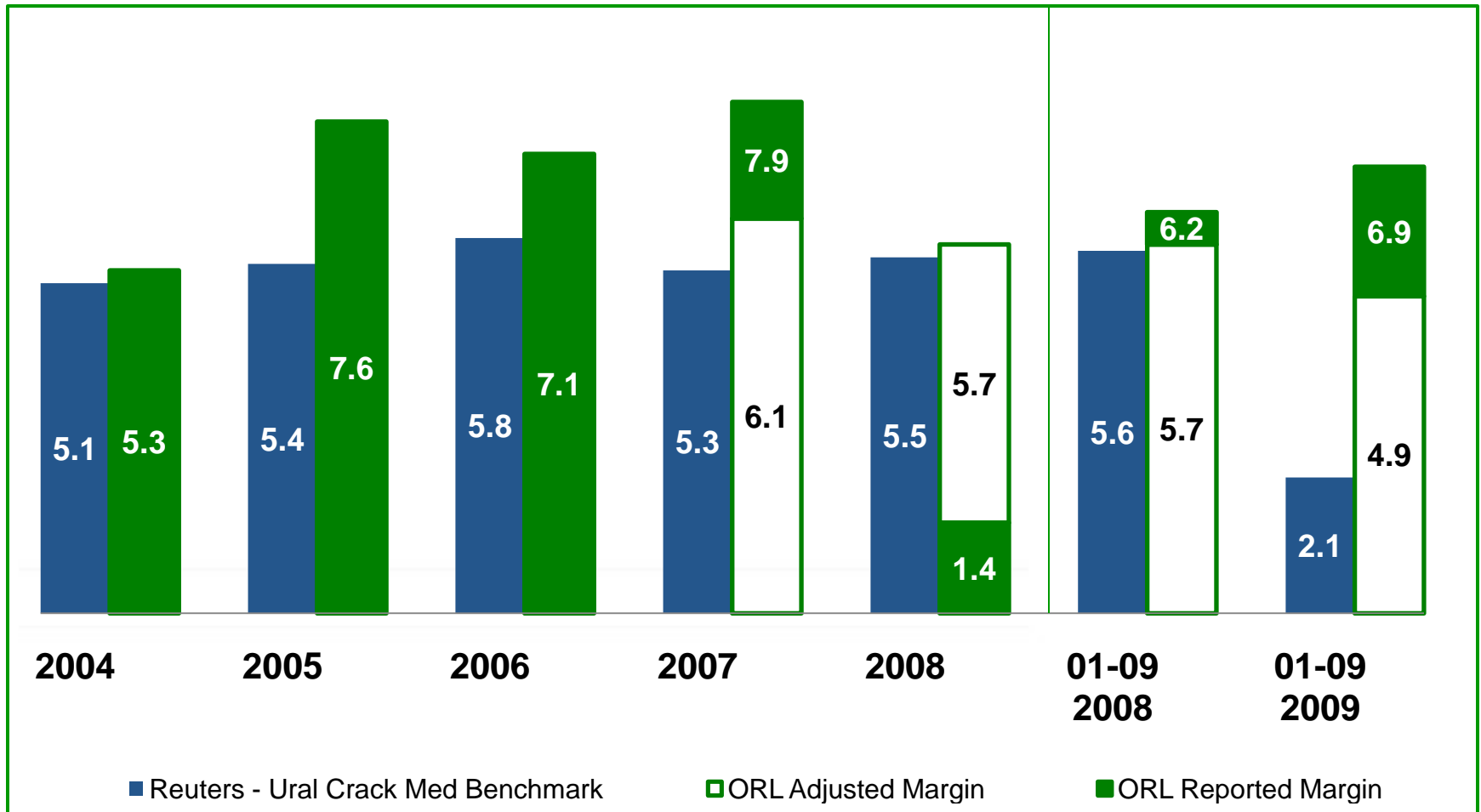
Operating Environment

Crude Oil Prices



- Continue to operate in highly volatile market
- In 2008 crude oil prices dropped from USD/bbl 96 to USD/bbl 37
- Since end-08 crude oil prices up **78%** to USD/bbl 66 at end-Sept. 09
 - Slight 3% decline during Q3

ORL Refining Margin vs. Regional Benchmark *USD/bbl*

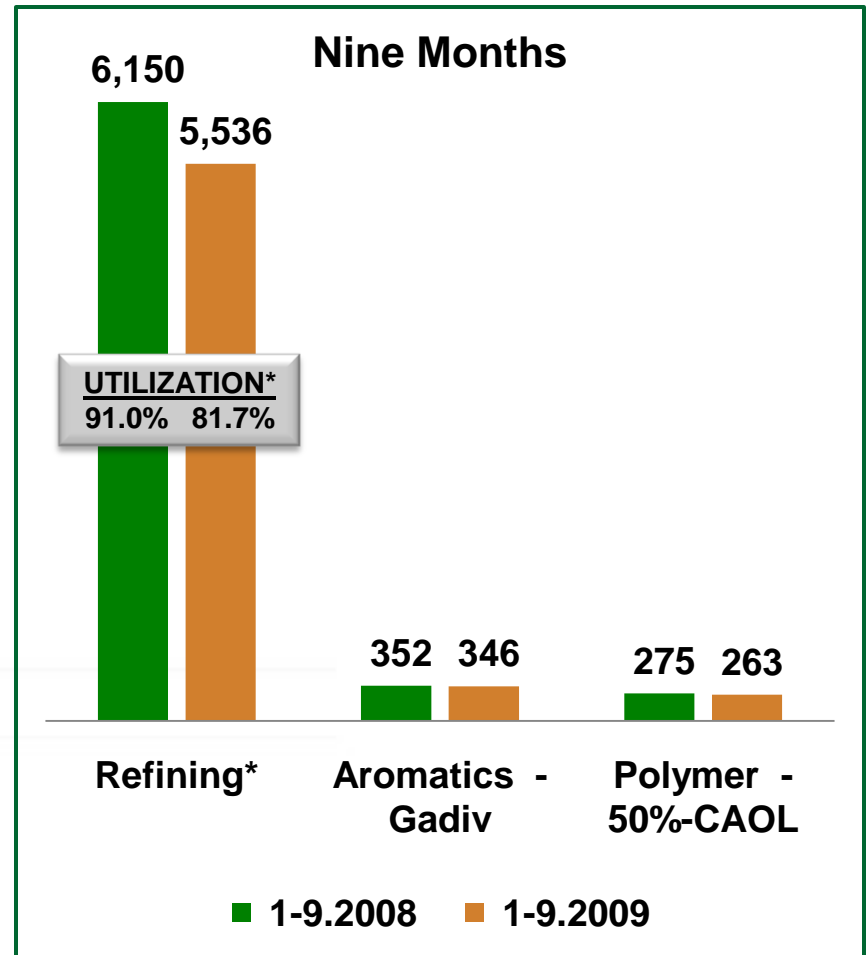
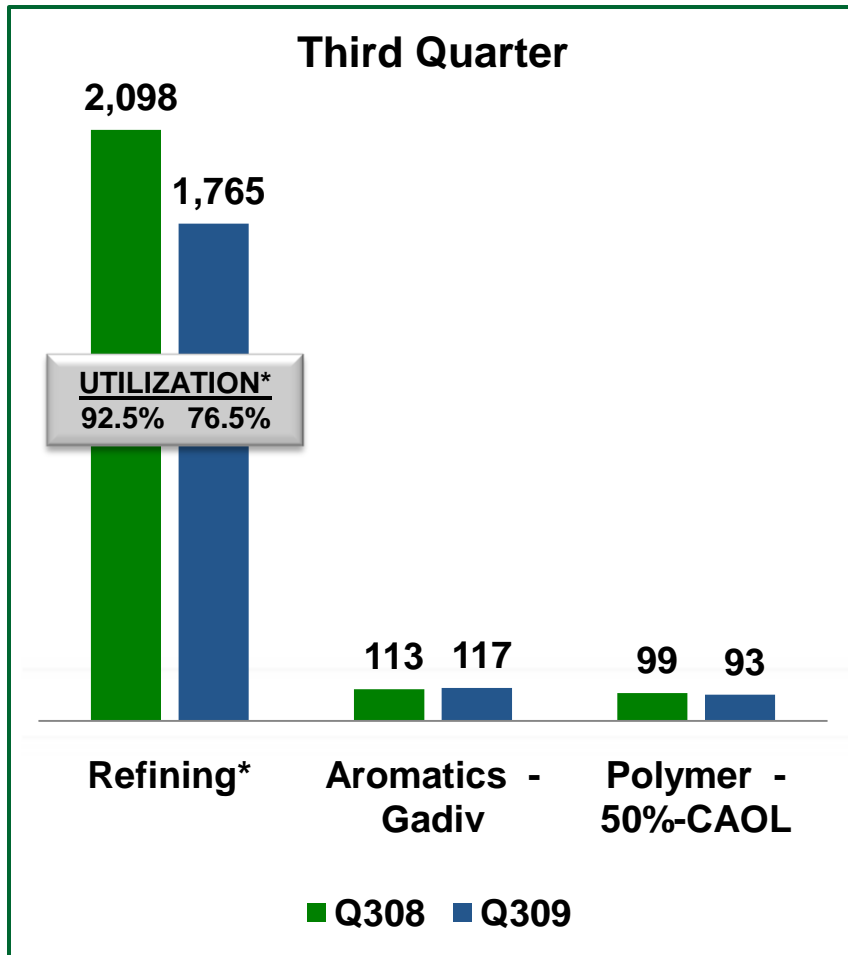


Note: Adjusted margin is ORL's refining margin calculated for comparison purposes and excludes impact of inventory w/o and gains as well as IFRS

Calculating Refining Margin

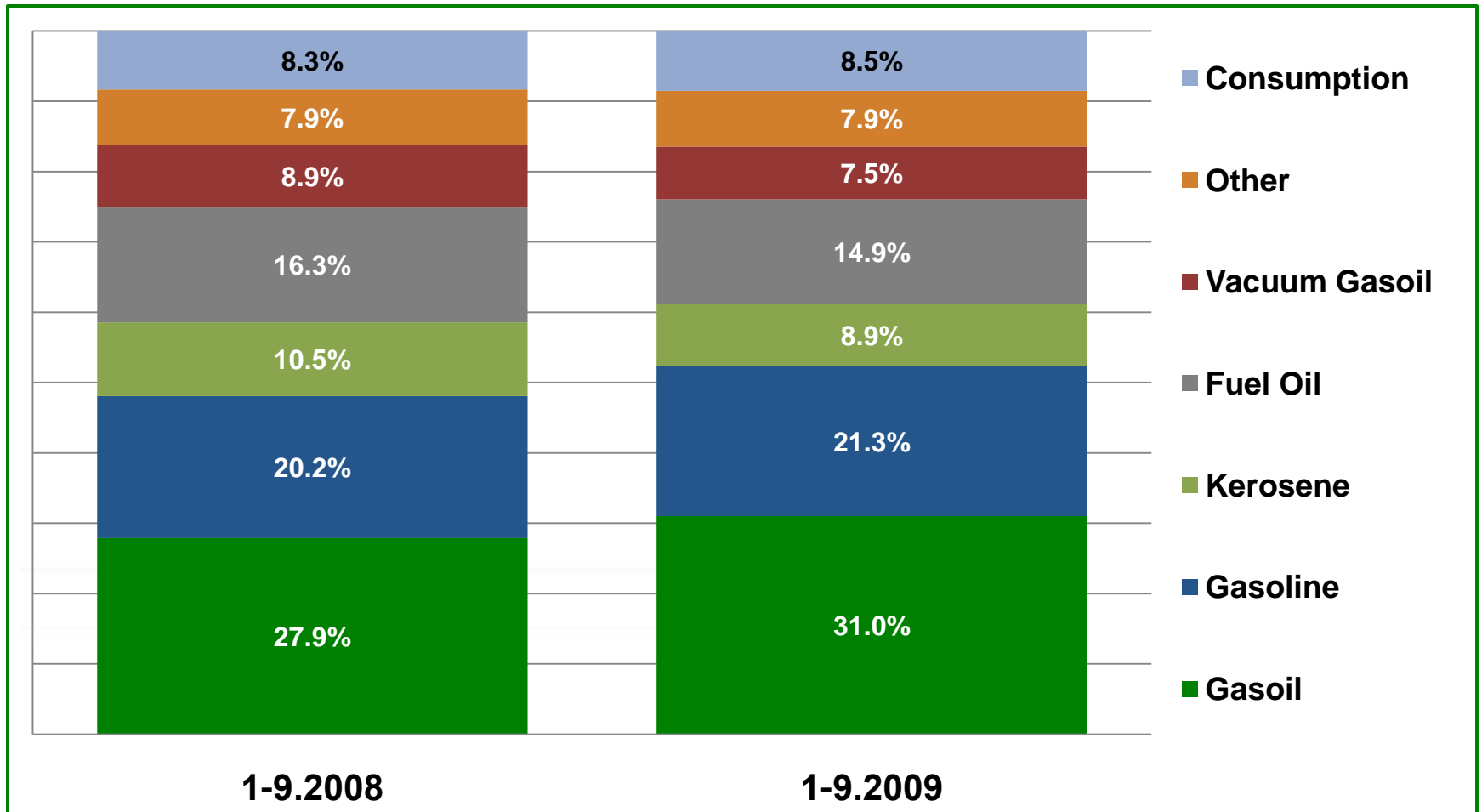
USD/bbl	Q3/09	Q3/08		1-9/09	1-9/08
Avg. Ural Crack Med Refining Margin	1.6	6.7		2.1	5.6
ORL Adj. Margin	8.1	8.1		4.9	5.7
IFRS derivatives' impact	0.5	3.2		(0.7)	0.1
Net impact of buying\selling timing differences	3.2	(0.9)		0.9	2.0
Inventory write-off, end Sept-09	(0.9)	(4.4)		(0.3)	(1.5)
Reversal of Q4/08 inventory w/o	-	-		4.6	-
Loss on sale of end-year 2008 inventory	-	-		(2.4)	-
Net Adjustments	2.8	(2.1)		2.0	0.5
ORL Reported Margin	10.9	6.0		6.9	6.2

Refining and Production* (000 tons)

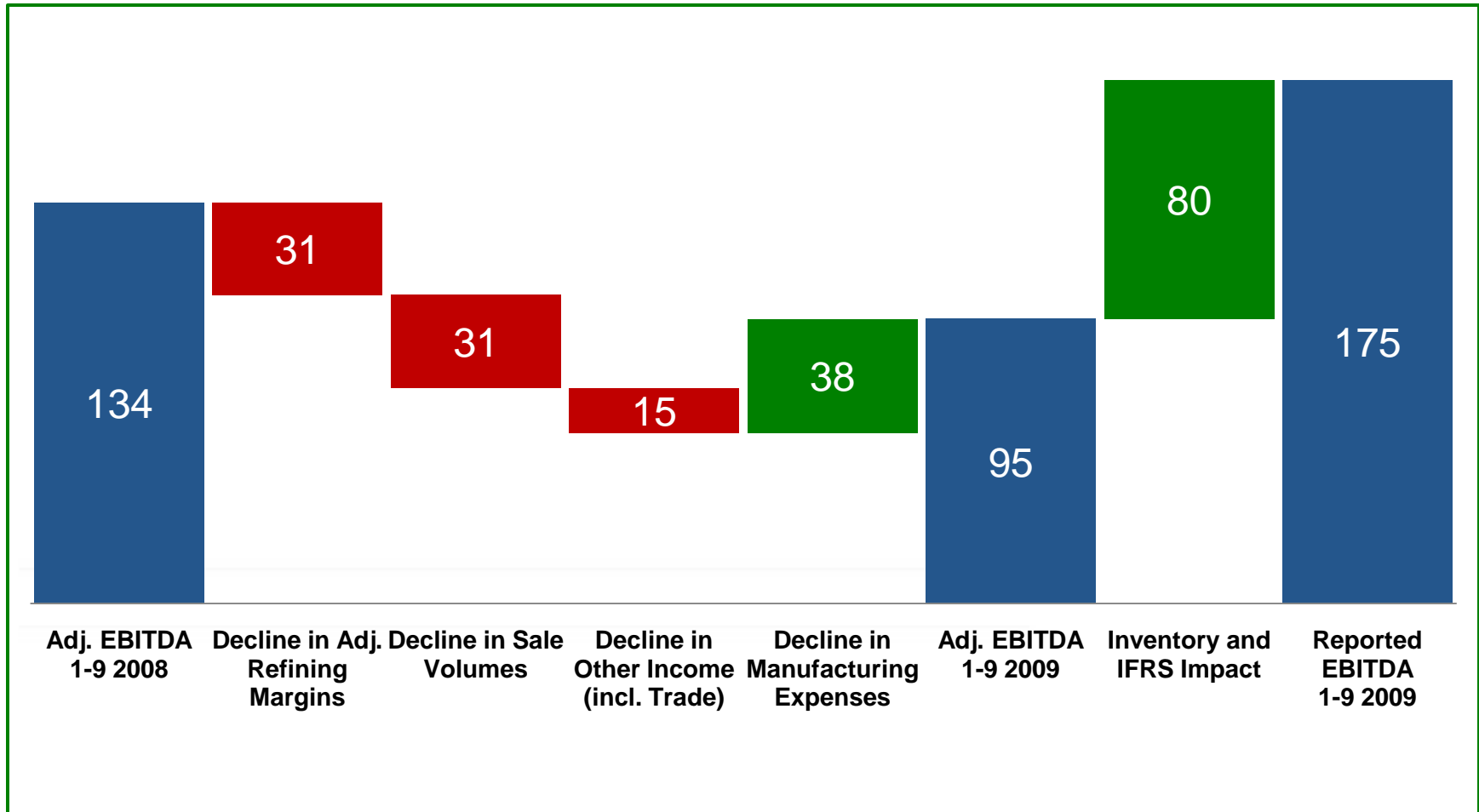


* During 4 weeks of Q309, major crude unit (4) was closed for periodic turnaround and upgrade

Product Production Breakdown



Nine Months - Change in Adjusted Refining & Trade Sector EBITDA (m. US\$)



Petrochemicals - Aromatics

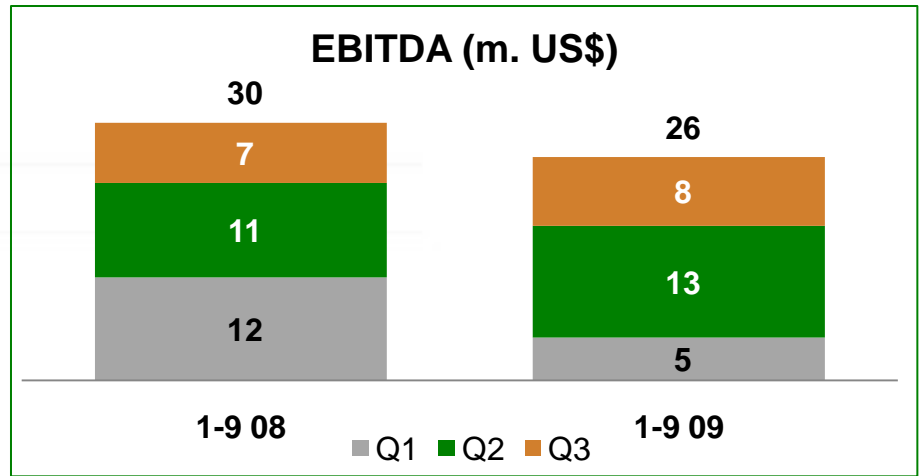
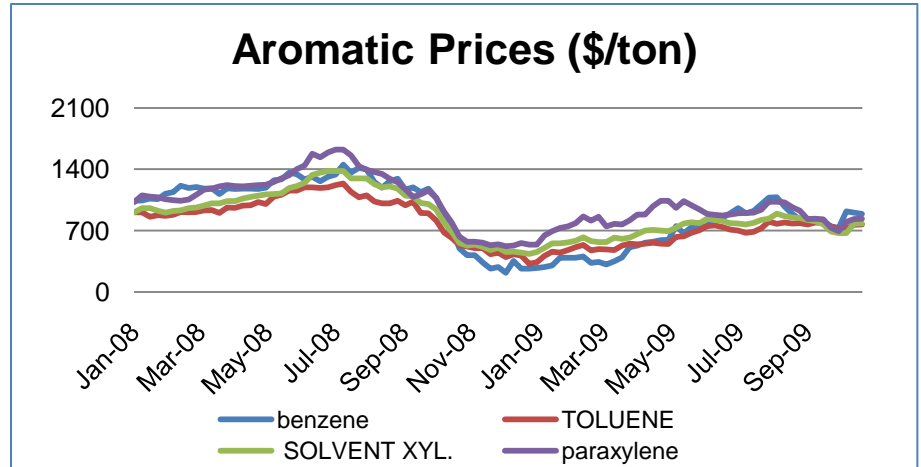
Gadiv Petrochemicals - 100% Held by ORL

Increasing Phthalic Anhydride – Q1 2010

- Increased manufacturing capacity of high-margin product

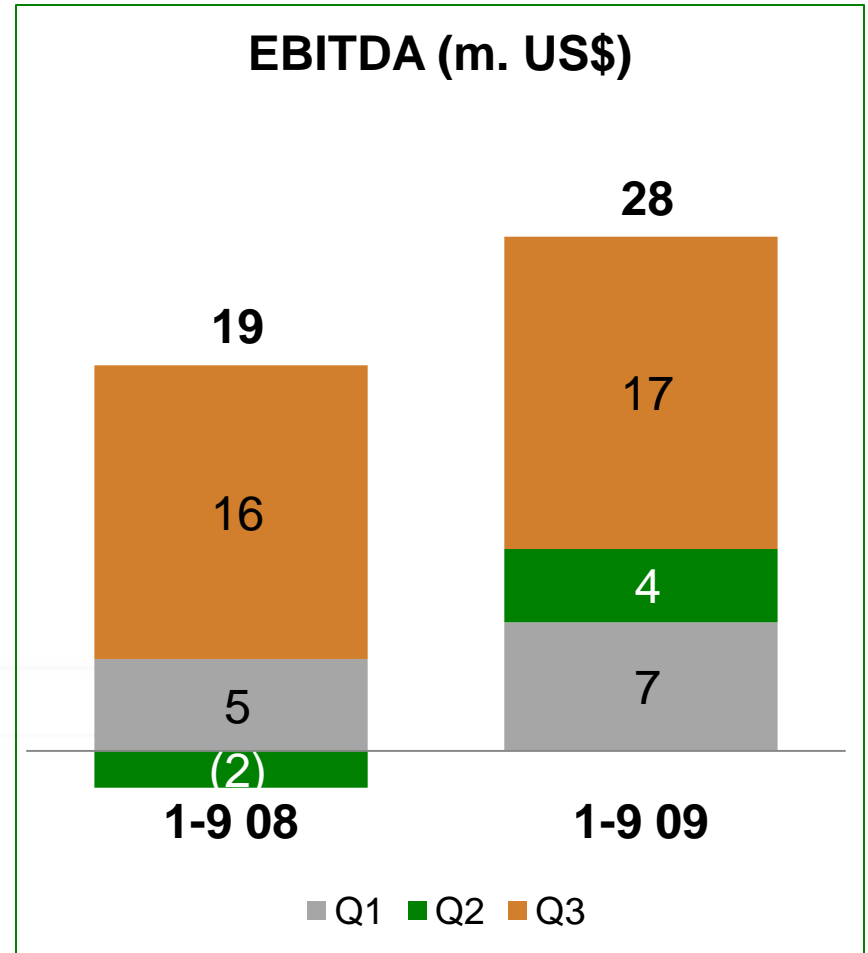
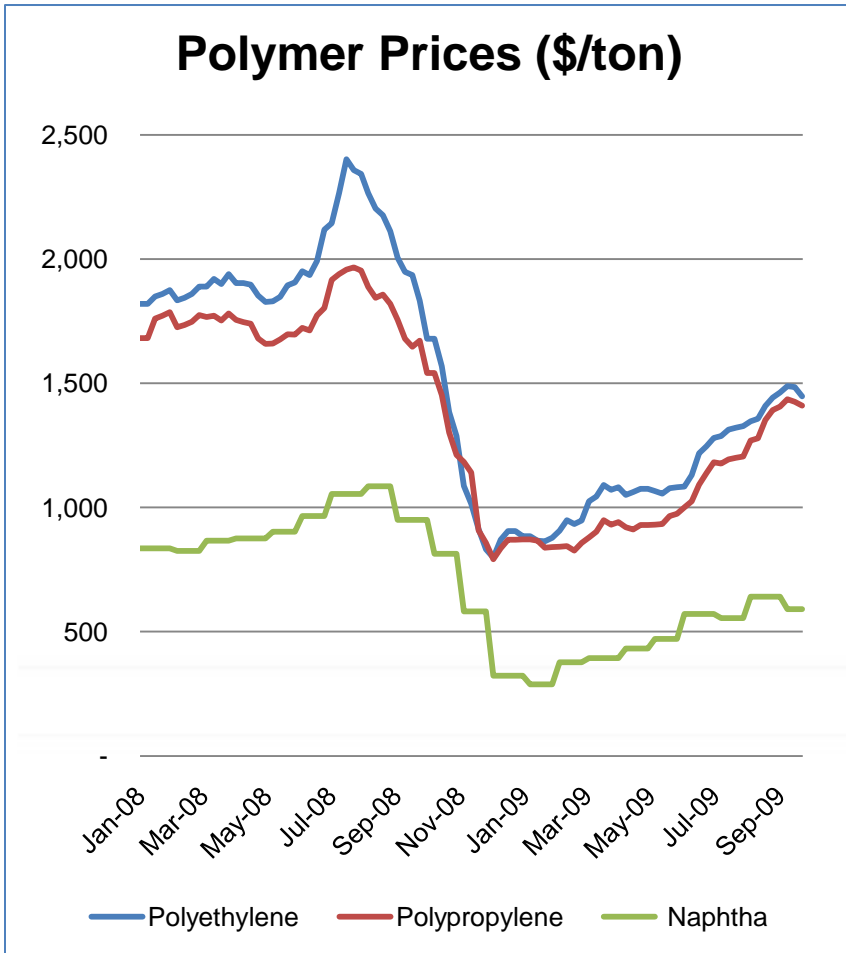
Increasing Paraxylene and Benzene Manufacturing - Q1 2010

- Increased manufacturing capacity of high-margin product



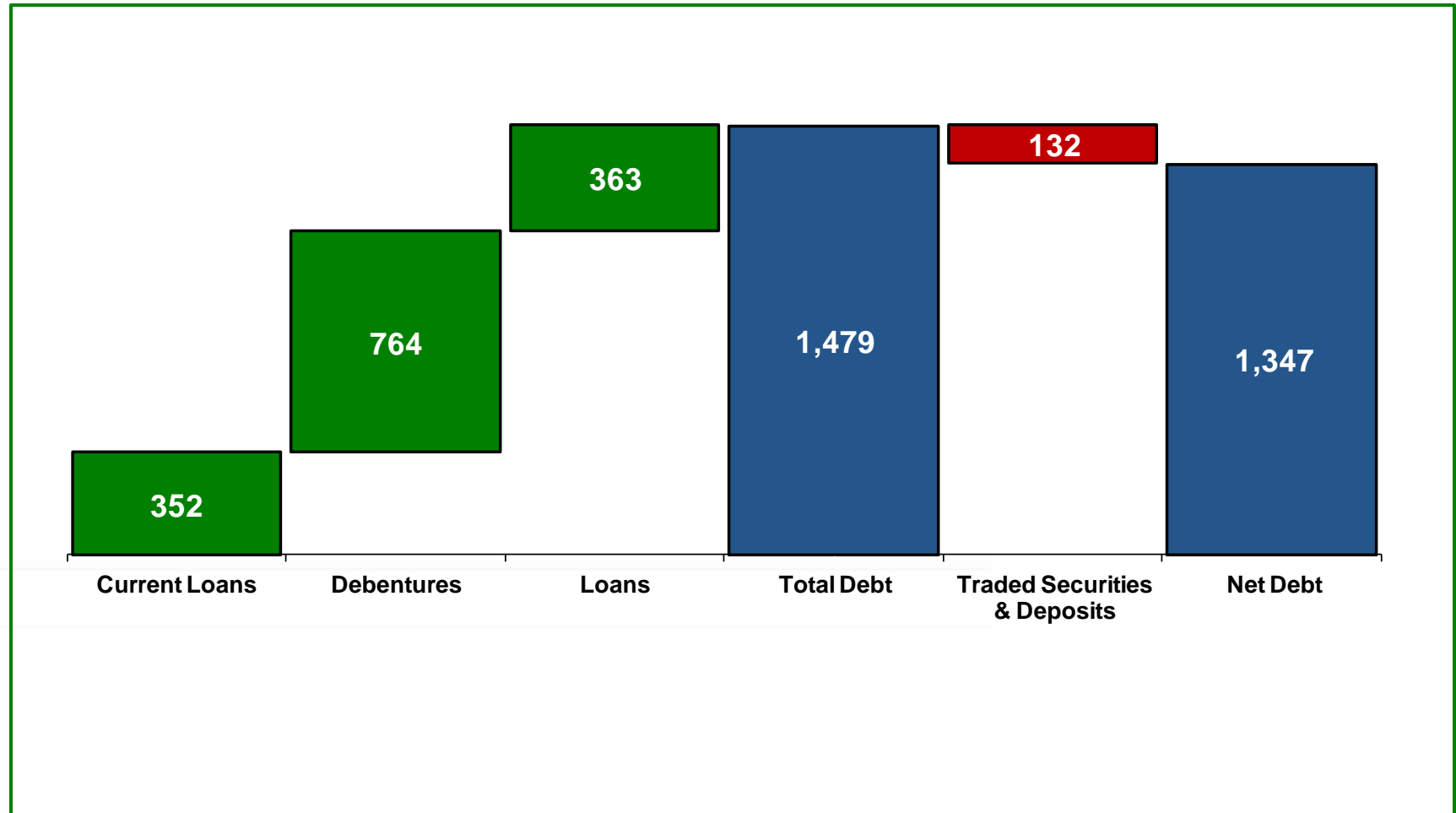
Petrochemicals - Polymers

Carmel Olefins - Results of 50% of Activity



Consolidated Net Debt Bridge

30 September, 2009 (m. US\$)



Note: Loans & debentures include current maturities

Consolidated P&L by Segments -

As Reported - First Nine Months 2009 - (m. US\$)

	Refining Segment	Trade Segment	Petrochemical Polymers	Segment Aromatics	Cancellation of inter- company Transactions	Consolidated
Revenues	3,007	451	289	283	(383)	3,647
COGS	<u>2,827</u>	<u>449</u>	<u>262</u>	<u>242</u>	<u>(380)</u>	<u>3,400</u>
Gross Profit	180	2	27	41	(3)	247
SG&A	35	2	19	20	(3)	73
Op. Profit, sectors	145	0	8	21	0	174
Other Expenses						(7)
Op. Profit						167
Finance Expenses						(8)
Equity						5
Pre-tax Profit						164
Income Tax						3
Net Profit						167

Consolidated P&L by Segments

As Reported - Third Quarter 2009 - (m. US\$)

	Refining Segment	Trade Segment	Petrochemical Polymers	Segment Aromatics	Cancellation of inter- company Transactions	Consolidated
Revenues	1,178	203	113	118	(157)	1,455
COGS	<u>1,083</u>	<u>205</u>	<u>97</u>	<u>105</u>	<u>(158)</u>	<u>1,332</u>
Gross Profit	95	(2)	16	13	1	123
SG&A	13	1	9	7	(1)	29
Op. Profit, sectors	82	(3)	7	6	2	94
Other Expenses						0
Op. Profit						94
Finance Expenses						(17)
Equity						1
Pre-tax Profit						78
Income Tax						22
Net Profit						100

Thank You



ORL

Oil Refineries Ltd.