

# Oil Refineries Ltd.

## Third Quarter & First Nine Months 2010 Results



November 2010

November 2007

**ORL**

Oil Refineries Ltd.

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# Agenda

- ▶ **Implementation of the Strategic Plan**
- ▶ **Operating Environment Overview**
- ▶ **Third Quarter & First Nine Months  
2010 Results**

# Strategic Plan - On Track

## *Completed Projects*

### Conversion of HVGO HDS to Mild Hydrocracker

- First phase completed in June 2009 and second phase in June 2010
- Contributing to higher refining margins
- Surpassed expectations: increased Gasoil refining capacity of 3-4%

### 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

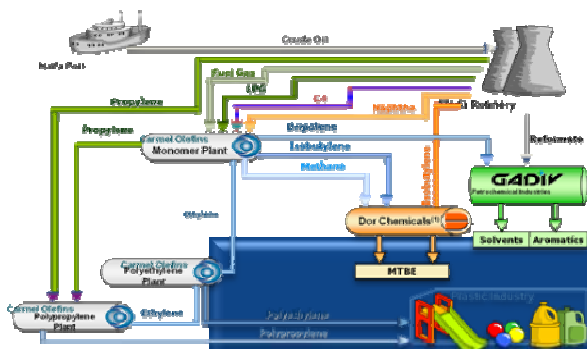
### Completed merging ORL with Carmel Olefins

### Hydrocracker Investment

- Planning Stage Completed
- Financing Package Completed
- Activation planned mid-2012

# 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

# Oil Refineries-CAOL Synergies

*Investments to Leverage the Potential*

## Using available raw materials for polymers production

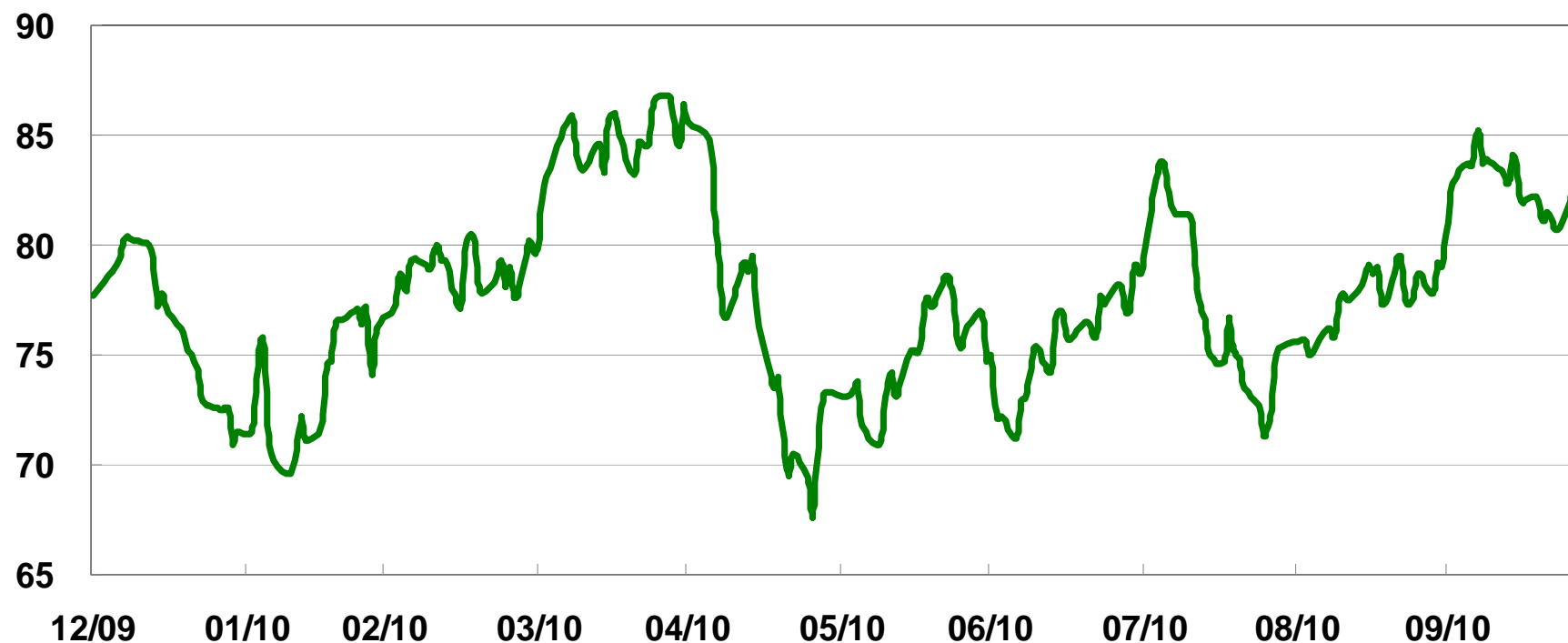
- Expected investment: \$45 million
- Expected returns: \$30 million per year

## Expanding the propylene production capacity

- Expected investment: \$60 million
- Expected returns: \$50 million per year

# Operating Environment

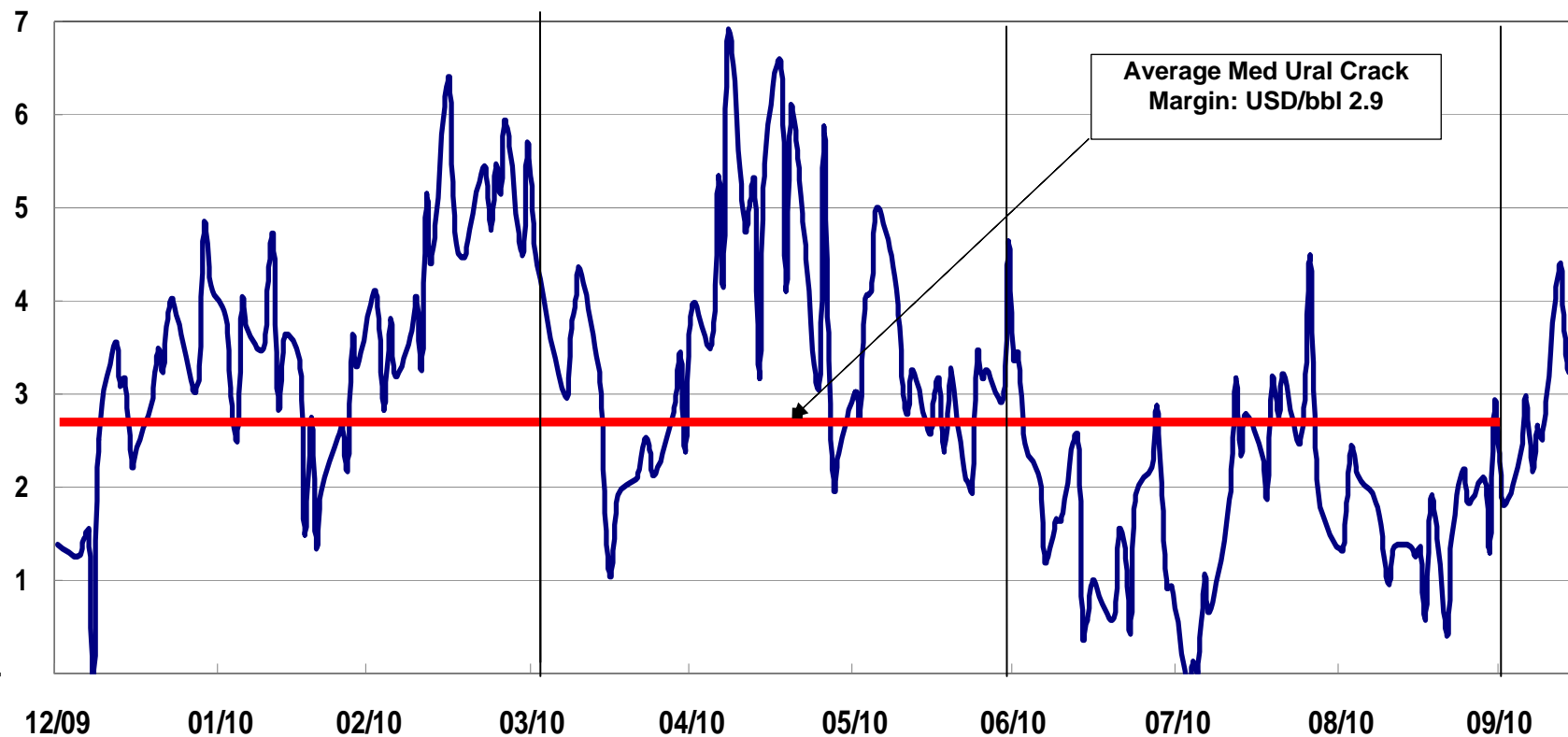
## Crude Oil Prices



- Continue to operate in highly volatile market
- In 2009, crude oil prices rose **116%** to USD/bbl 78 at year's end
- In the first nine months of 2010 crude oil prices went as high as USD/bbl 86 and then dipped to USD/bbl 80

# Operating Environment

## *Mediterranean Ural Cracking Margin*

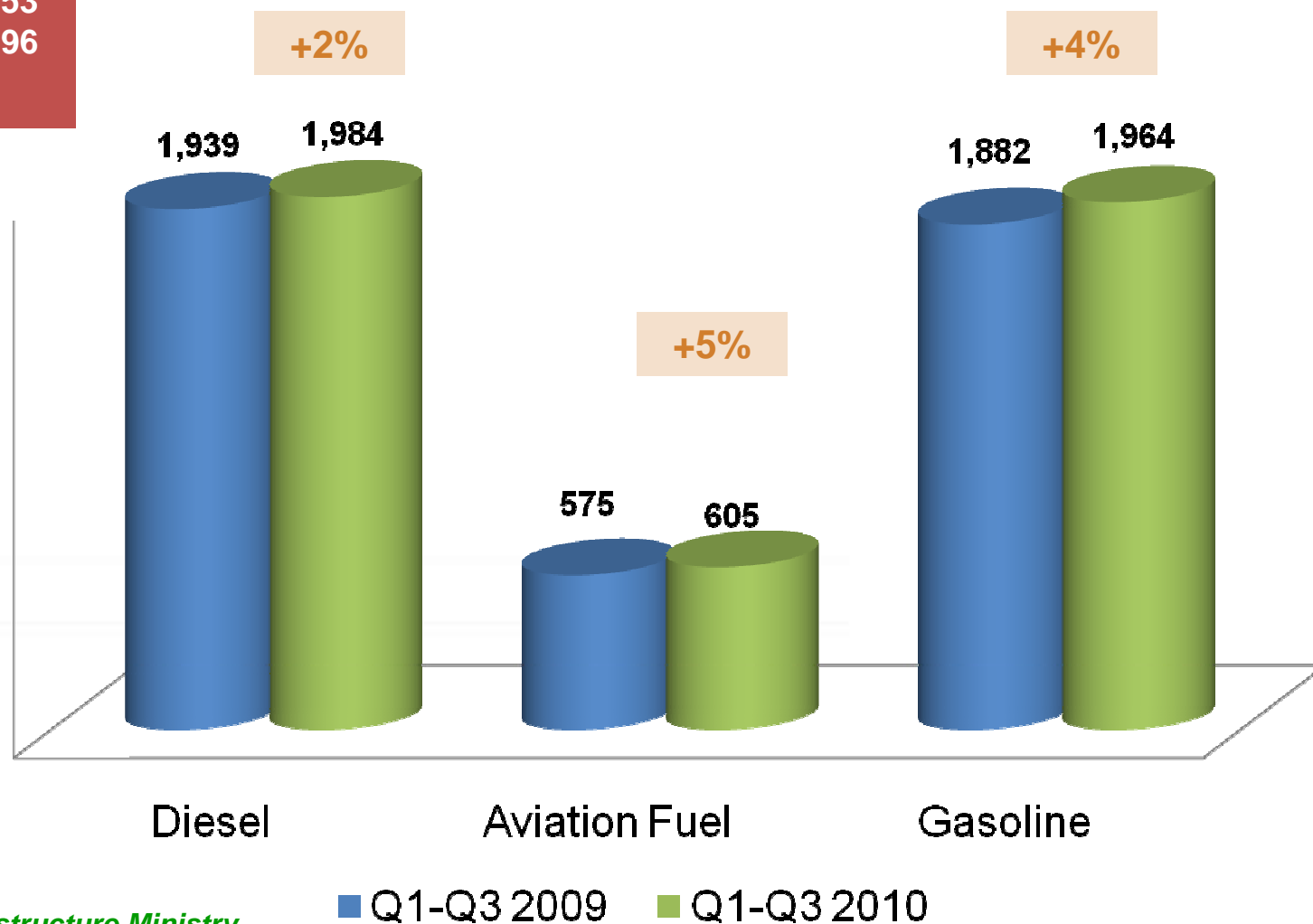


# Operating Environment

## Assessment of National Transportation Fuel Demand

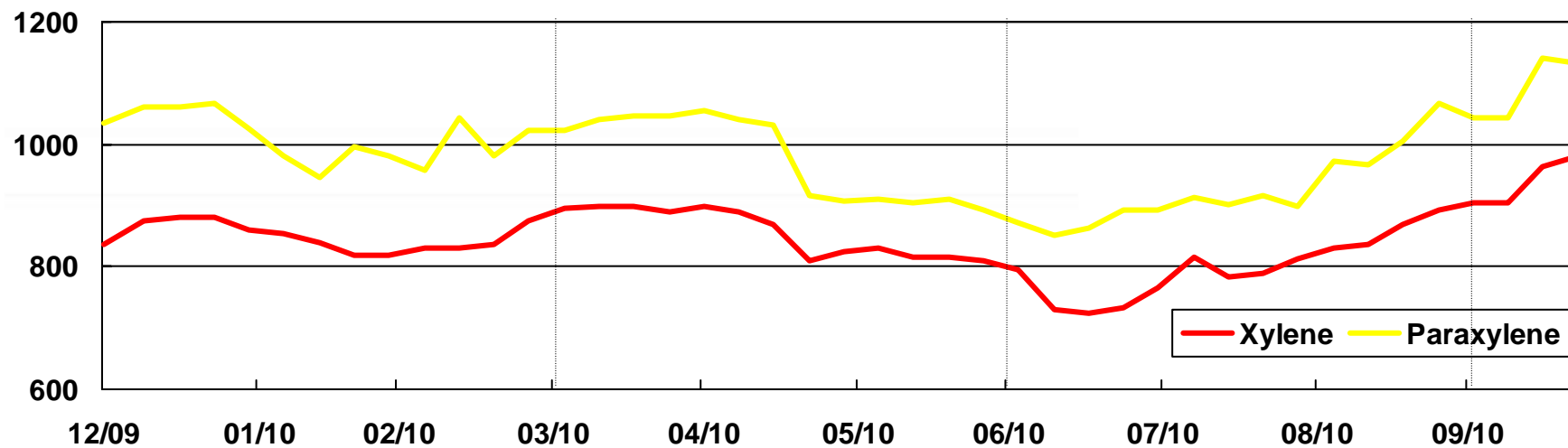
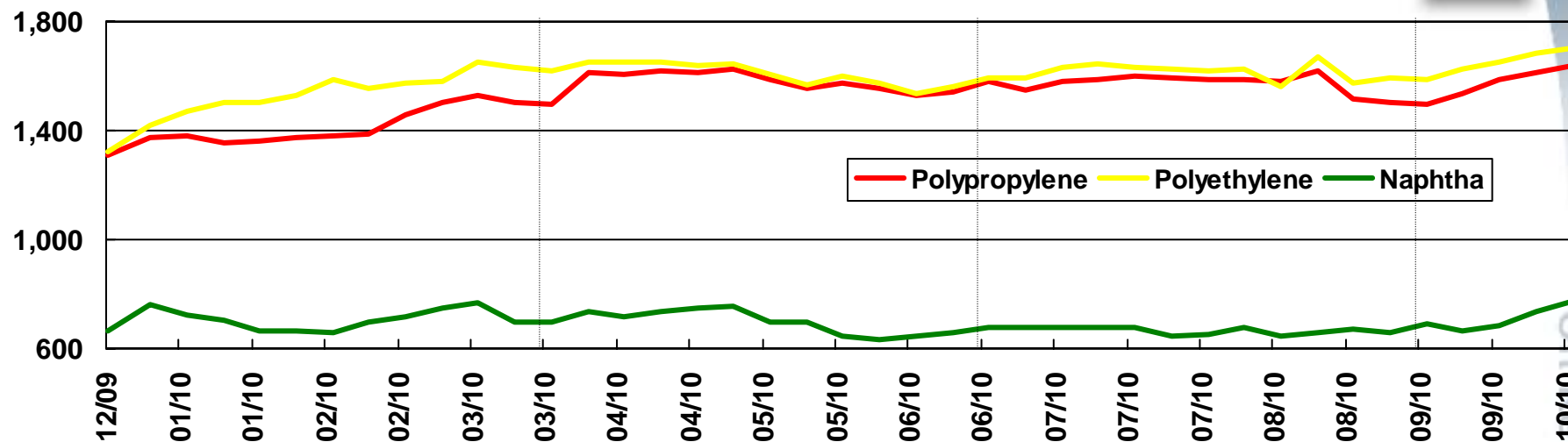
(Thousand Tons)

Q1-Q3 2010: 4,553  
 Q1-Q3 2009: 4,396  
 Delta: 4%



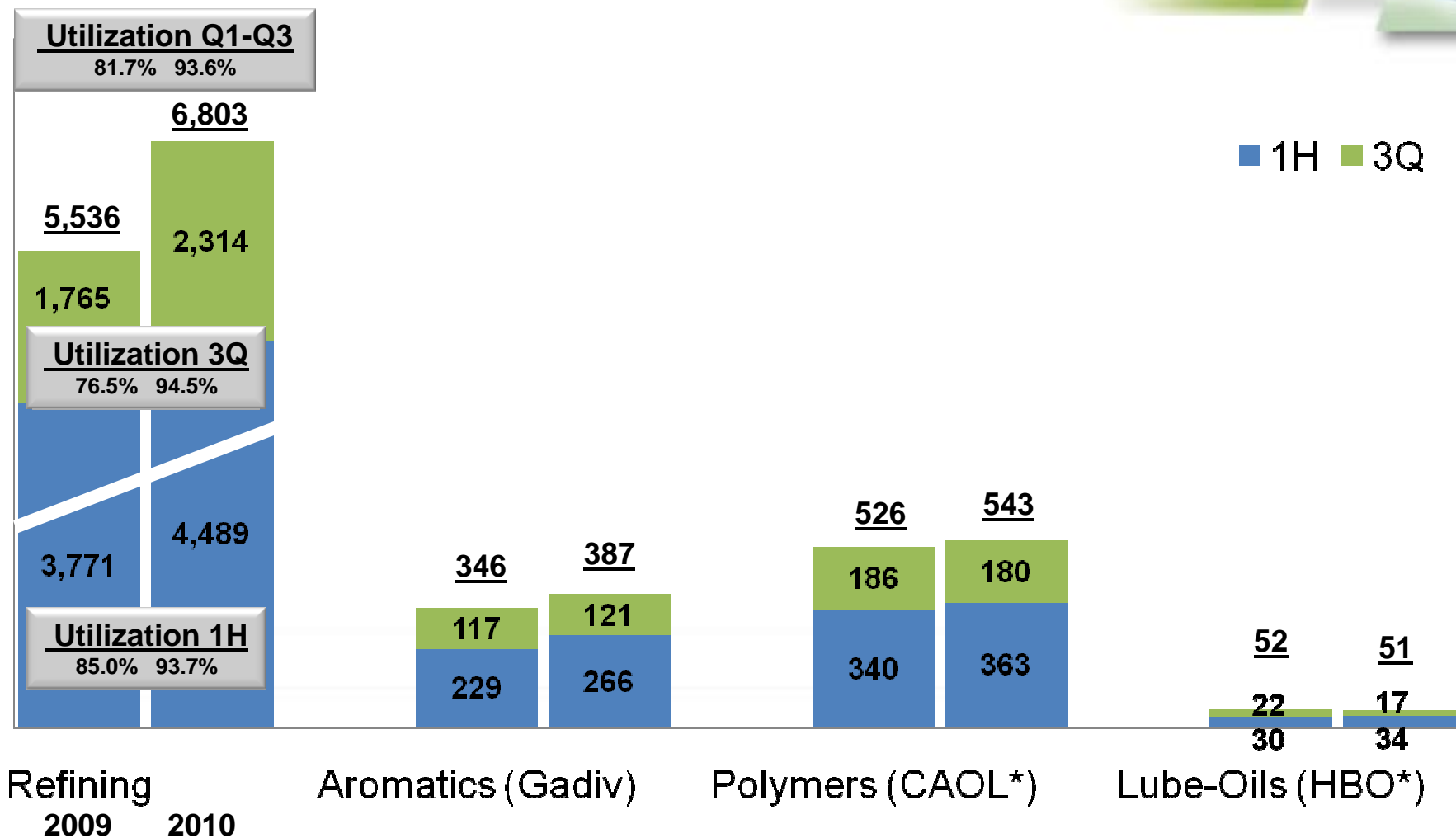
# Operating Environment

*Petrochemical Products (\$/Ton)*



# 3Q & First Nine Months 2010 Results

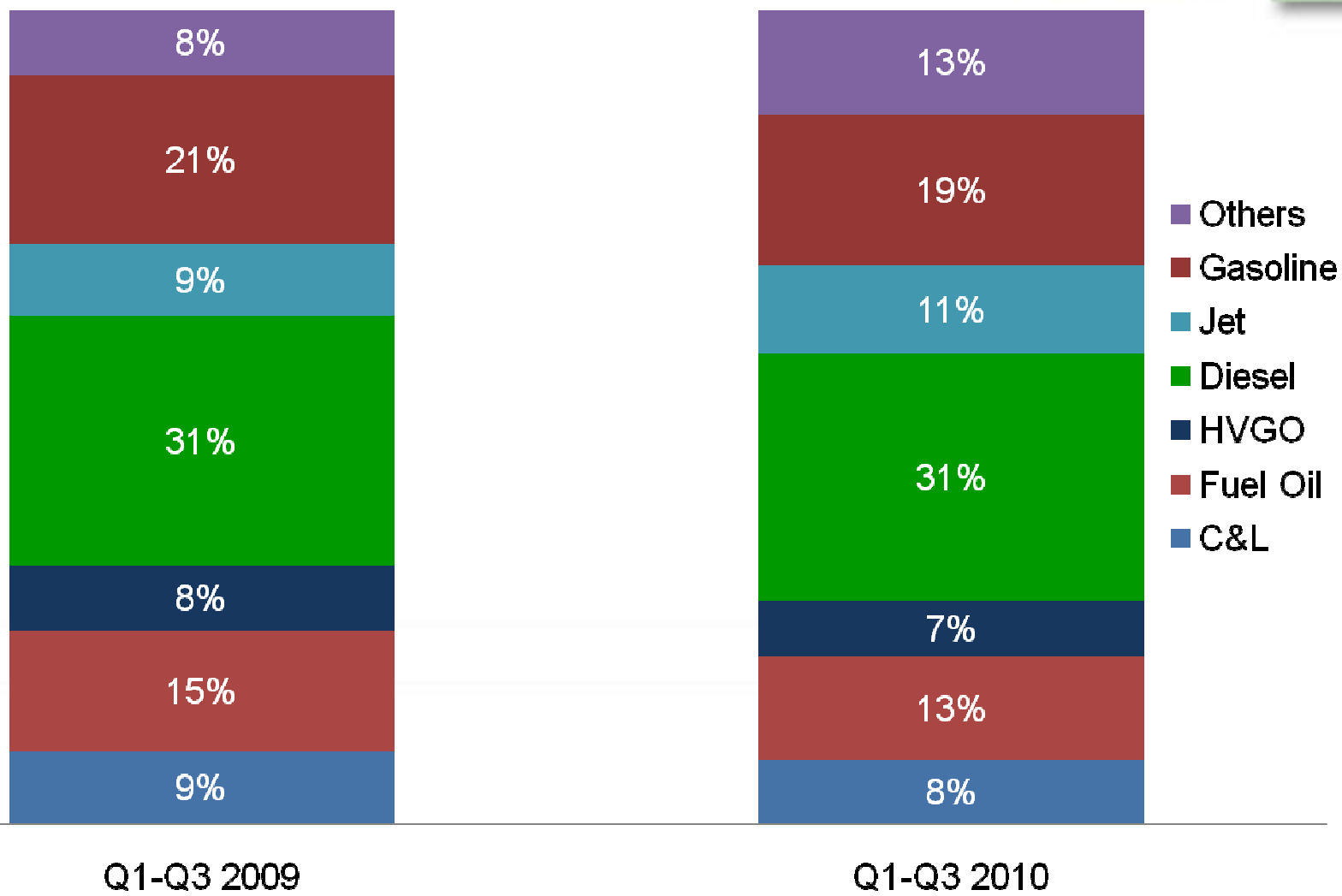
*Refining & Production (Thousand tons)*



\* 100% (During Q1-Q3 2009, CAOL was 50% owned and HBO was not yet merged)

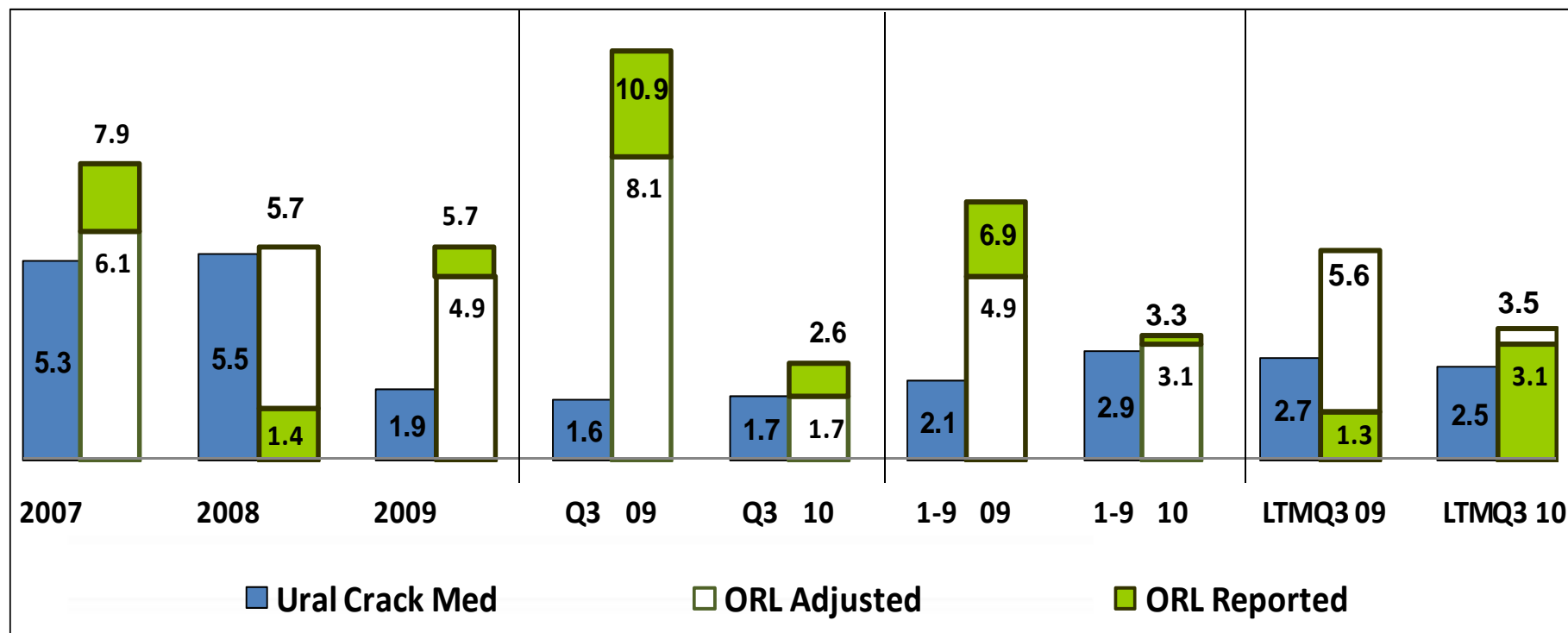
# 3Q & First Nine Months 2010 Results

## Product Production Breakdown



# 3Q & First Nine Months 2010 Results

*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*

# 3Q & First Nine Months 2010 Results

*Key Figures (millions)*

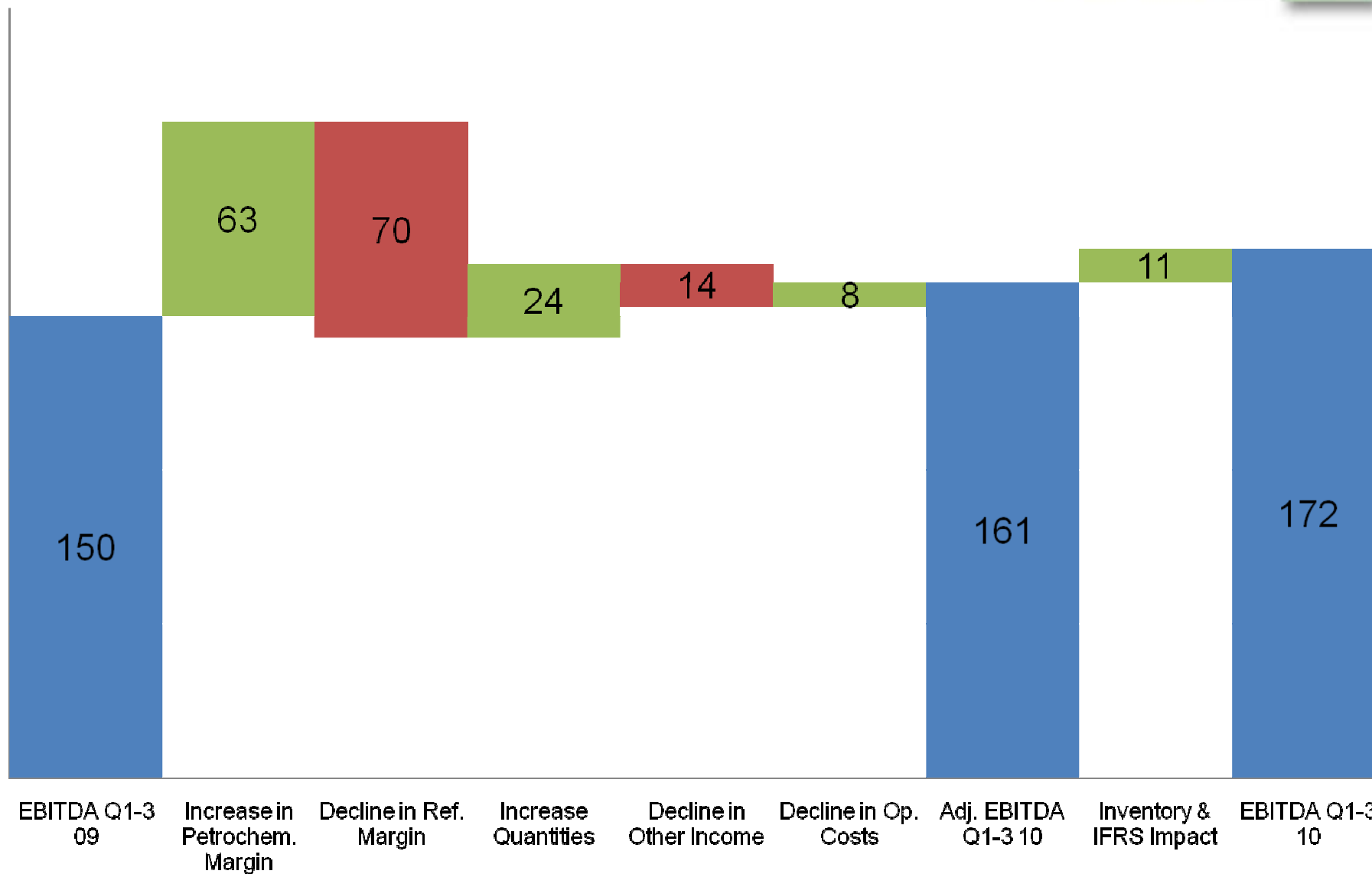
EBITDA	Third Quarter		Q1-Q3	
	3Q 10	3Q 09	Q1-Q3 10	Q1-Q3 09
Refining & Trade	4	57	32	96
Polymers (CAOL)	37	14	91	28
Aromatics (Gadiv)	8	8	24	26
Lube-Oils (HBO)	2	-	9	-
Consolidation	(2)	1	(5)	-
<b>EBITDA Consolidated Adjusted</b>	<b>49</b>	<b>80</b>	<b>161</b>	<b>150</b>
<b>Net Consolidated Profit</b>	<b>25</b>	<b>100</b>	<b>53</b>	<b>167</b>

*Note: In the refining and trade sector, EBITDA and margin are presented net of inventory and IFRS impact*

# 3Q & First Nine Months 2010 Results

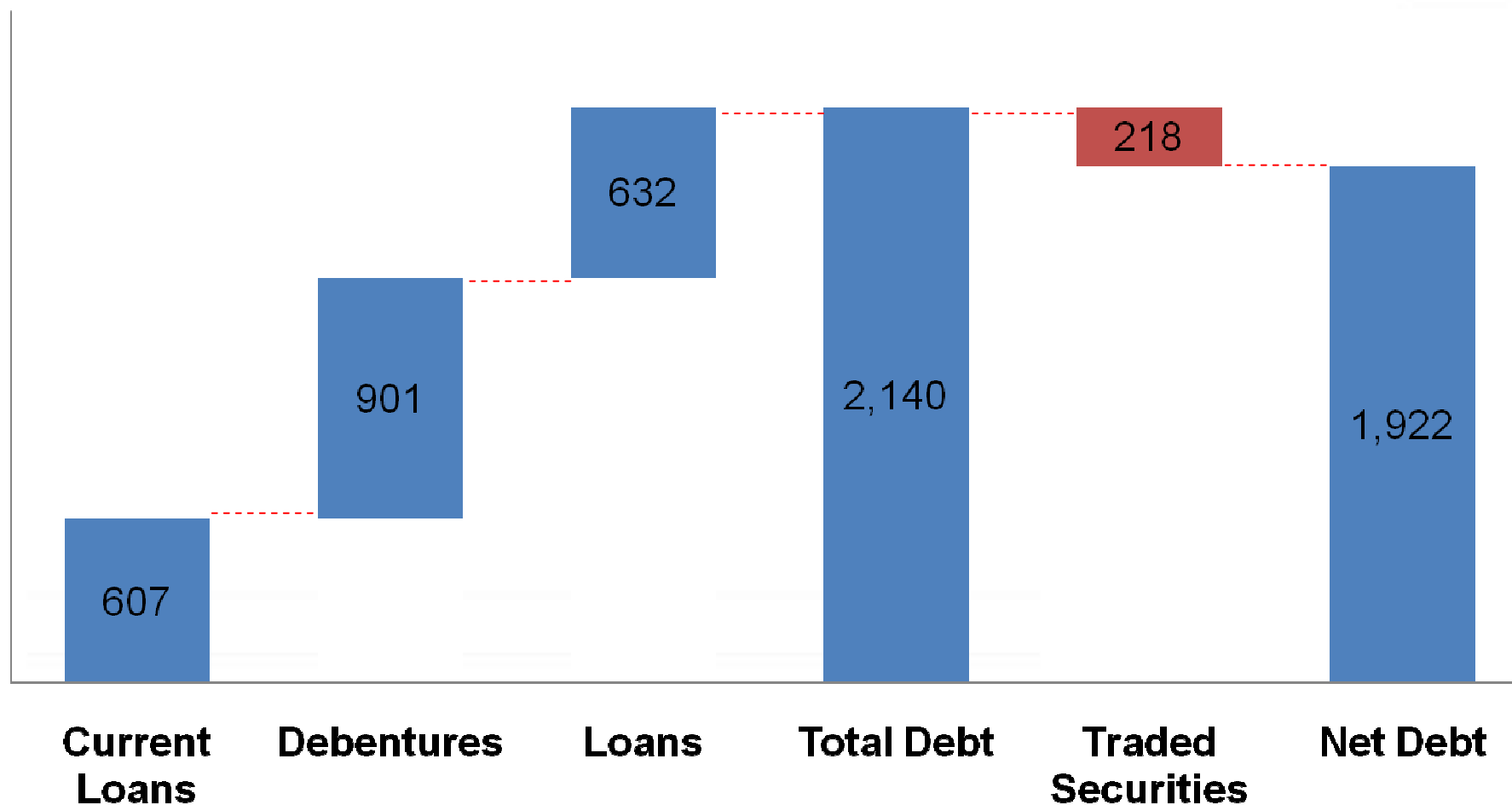
## Change in Adjusted Refining & Trade Sector EBITDA

(m. US\$)



# 3Q & First Nine Months 2010 Results

*Consolidated Net Debt Bridge (m. US\$)*



Oil Refineries Ltd.

Note: Loans & debentures include current maturities

# 3Q & First Nine Months 2010 Results

*Balance Sheet - Consolidated, September 30, 2010*

(m. US\$)

<b>Current Assets</b>	
Cash & securities	219
Other current assets	576
Inventory	1,191
	<b>1,986</b>
<b>Non Current Assets</b>	
Other non-current assets	404
Property, plant & equipment	1,936
	<b>2,340</b>
	<b>4,326</b>

<b>Current Liabilities</b>	
Current financial liabilities	760
Other current liabilities	522
	<b>1,615</b>
<b>Non Current Liabilities</b>	
Non current fin. liabilities	1,372
Other non current liabilities	221
	<b>1,592</b>
<b>Capital</b>	
Shareholder's capital	1,119
	<b>4,326</b>

# Thank You



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