

# Oil Refineries Ltd.

## First Nine Months 2011 Results



November 2011

ORL

Oil Refineries Ltd.

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# Agenda

- ▶ **Implementation of the Strategic Plan**
- ▶ **Operating Environment Overview**
- ▶ **First Nine Months and Q3 2011 Results**



# Strategic Plan - On Track

## *Progress of Projects*

### Conversion of HVGO HDS to Mild Hydrocracker

- Completed in June 2010
- Increased Gasoil refining capacity of 3-4%

### Completed Crude Unit 4 Shutdown and Upgrade

- Increased refining capacity to 197kbpd
- Increased refining flexibility for larger variety of crudes

### Completed merging ORL with Carmel Olefins - synergetic projects

- **Optimization of the existing flows for polymer production** : \$45million investment with expected returns of \$45million/ year – completed, activation end 2011
- **Increasing FCC Propylene production** : \$60million investment with expected returns of \$50million/ year,

### Hydrocracker Investment

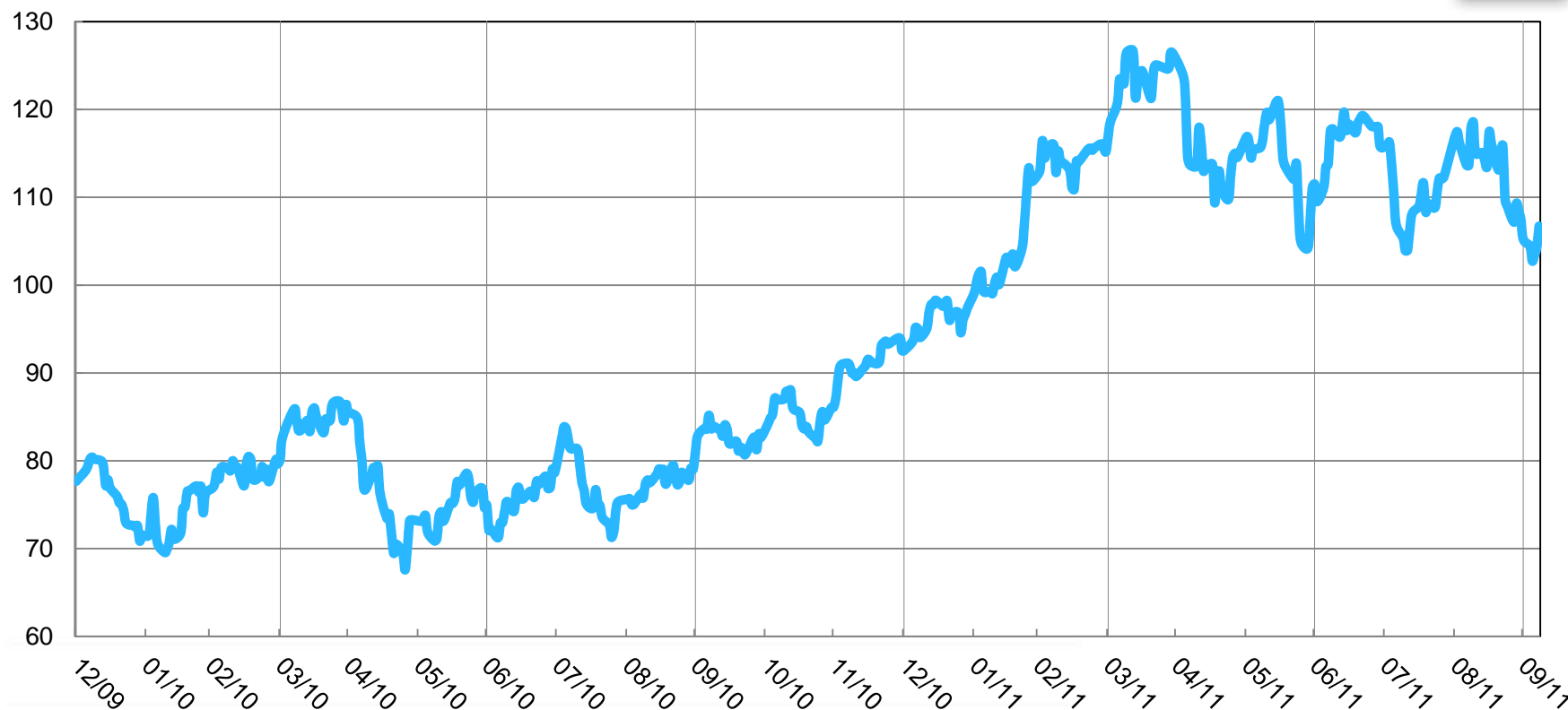
- Investment as of September 30, 2011 at \$283 million
- Activation planned mid-2012

### Transition to Natural Gas

- The Company has transitioned to almost full use of natural gas
- Two agreements were signed for the supply of natural gas over next few years.

# Operating Environment

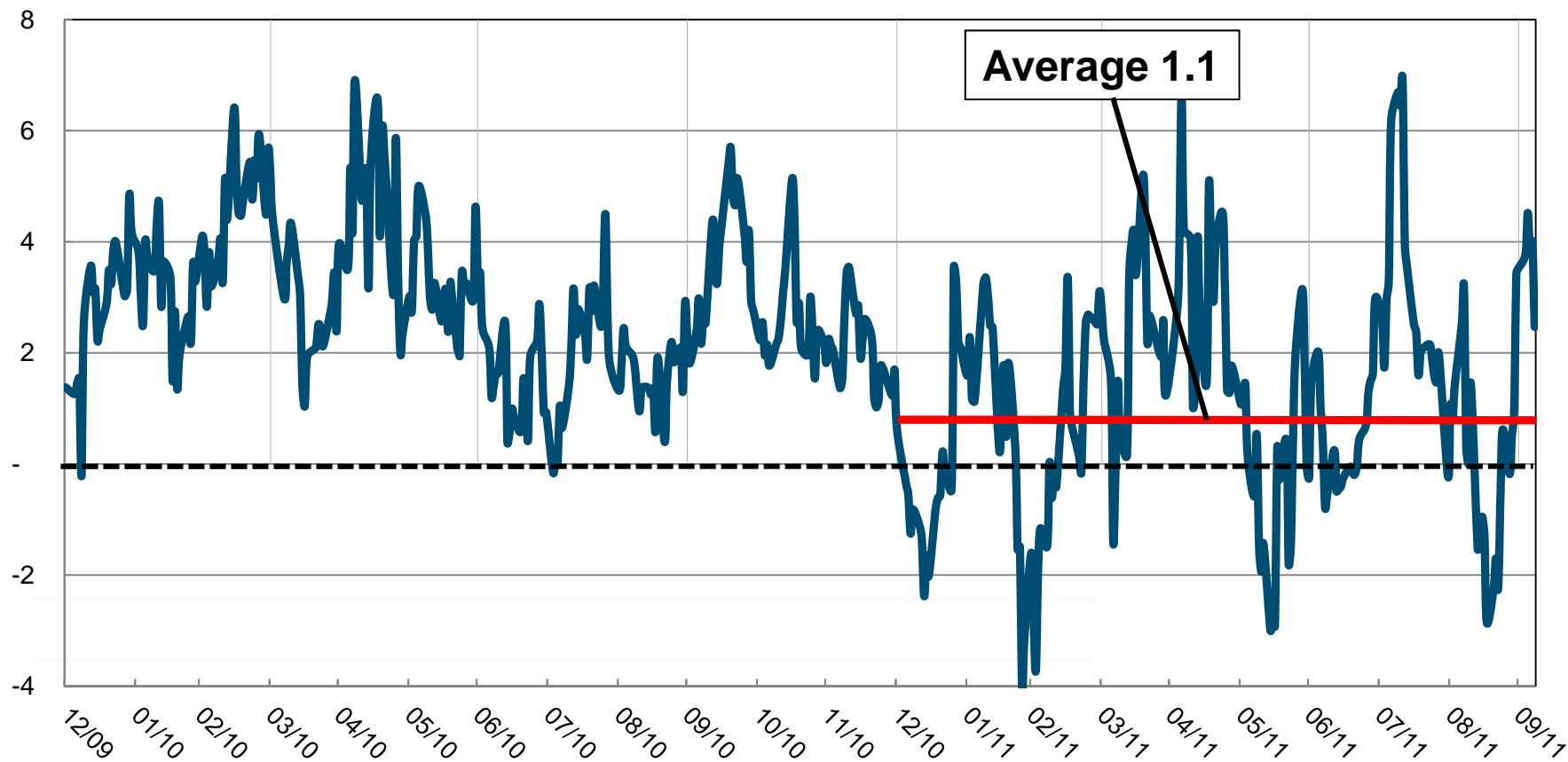
## Crude Oil Prices (USD/BBL)



- Continue to operate in highly volatile market
- In the first nine months of 2011, crude oil prices rose 14% to 105 USD/bbl, following 2010 in which prices rose by 19%
- Oil futures retreated throughout the second and third quarter of 2011.

# Operating Environment

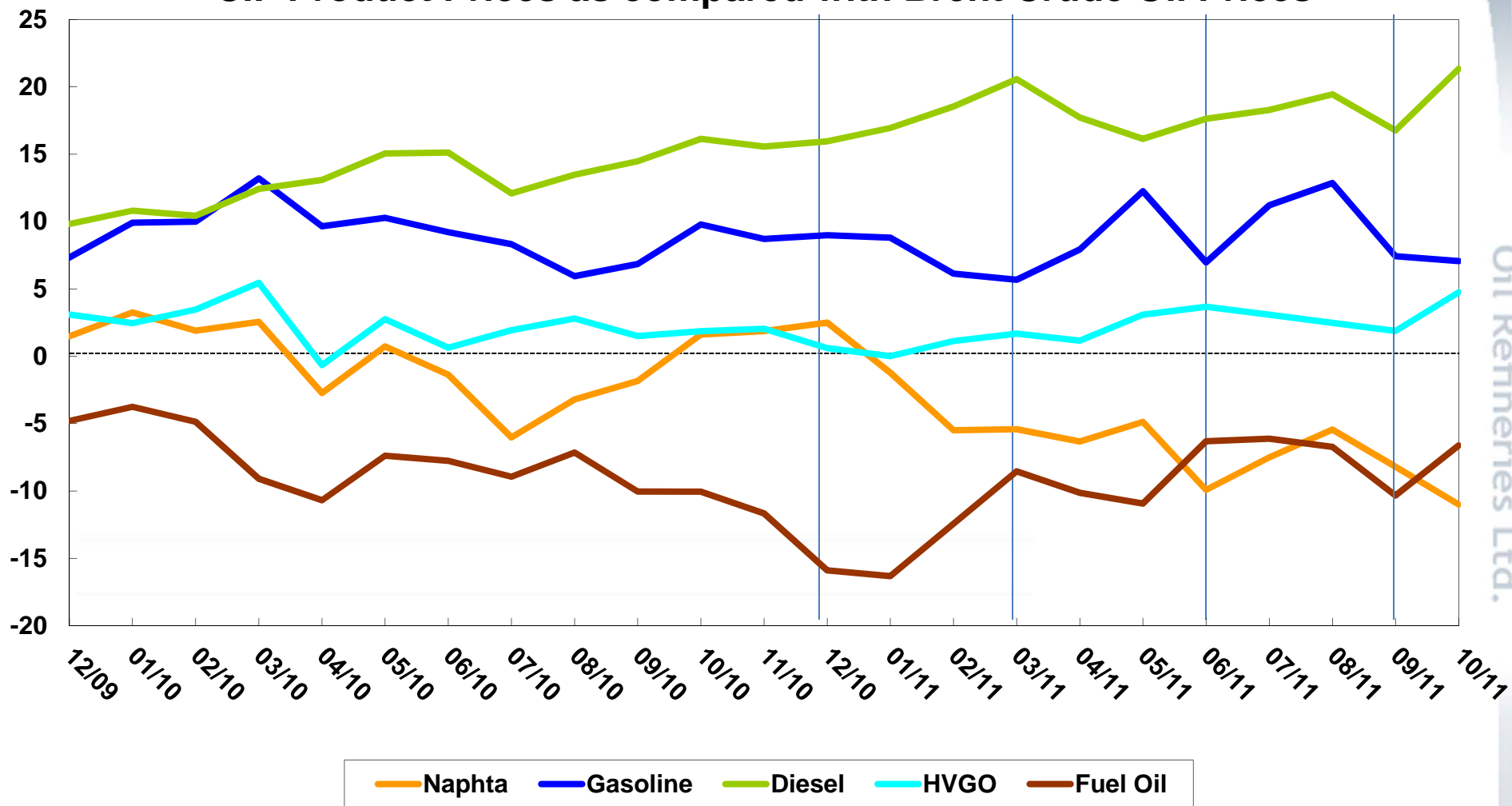
*Mediterranean Ural Cracking Margin (USD/BBL)*



# Operating Environment

*Mediterranean Product Margins (USD/BBL)*

**CIF Product Prices as compared with Brent Crude Oil Prices**

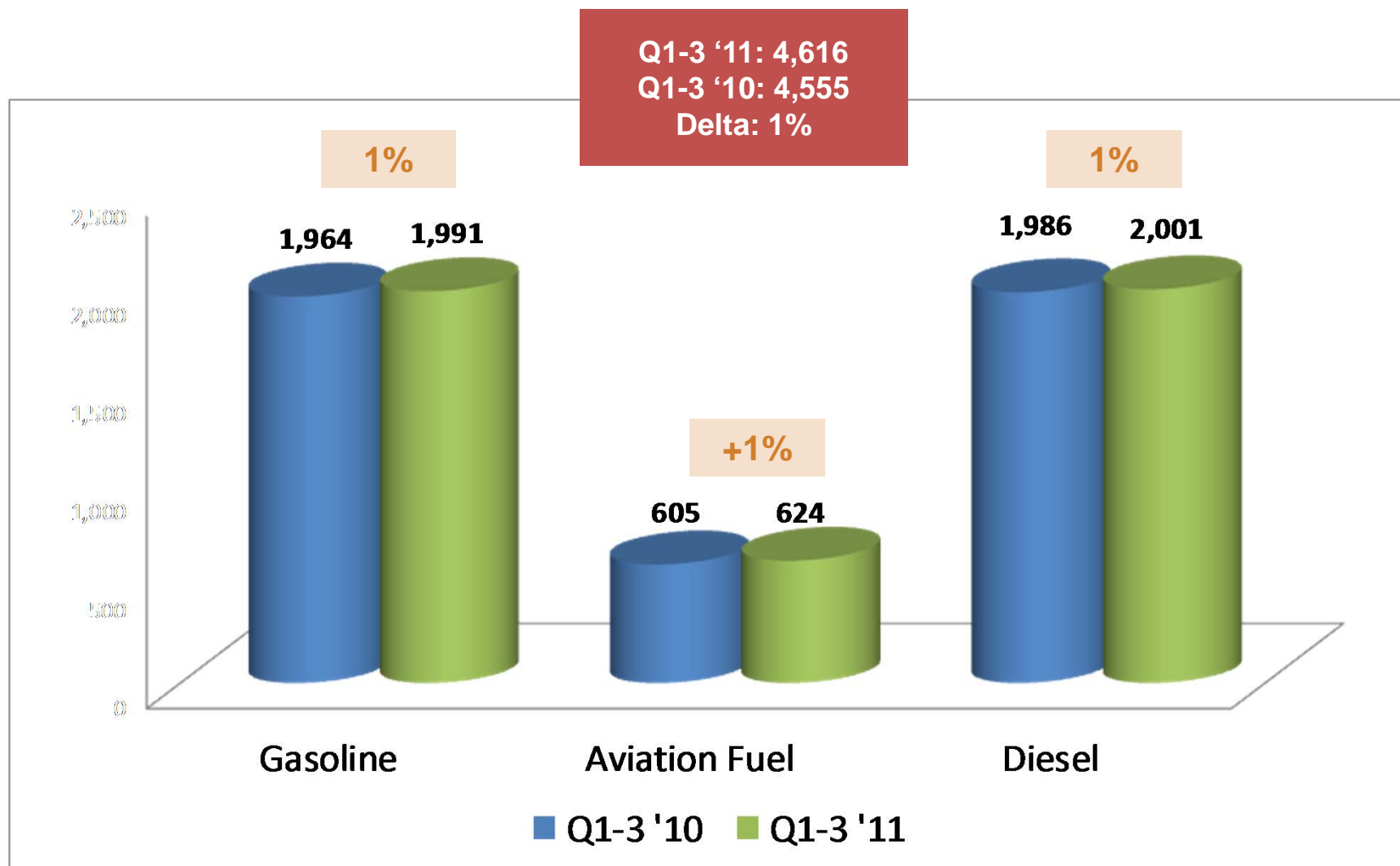


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# Operating Environment

## Assessment of National Transportation Fuel Demand

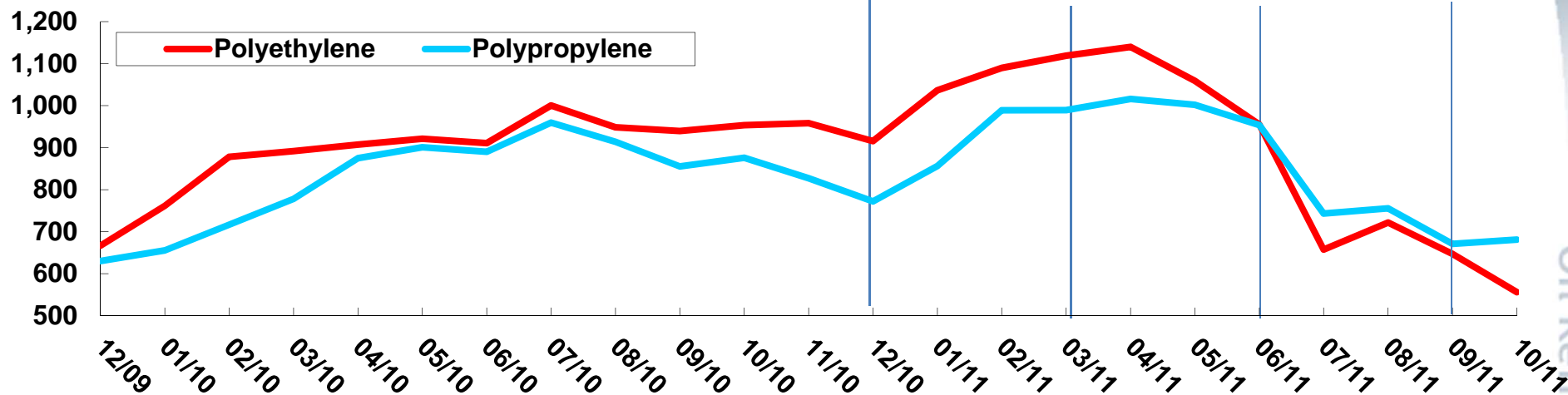
(Thousand Tons)



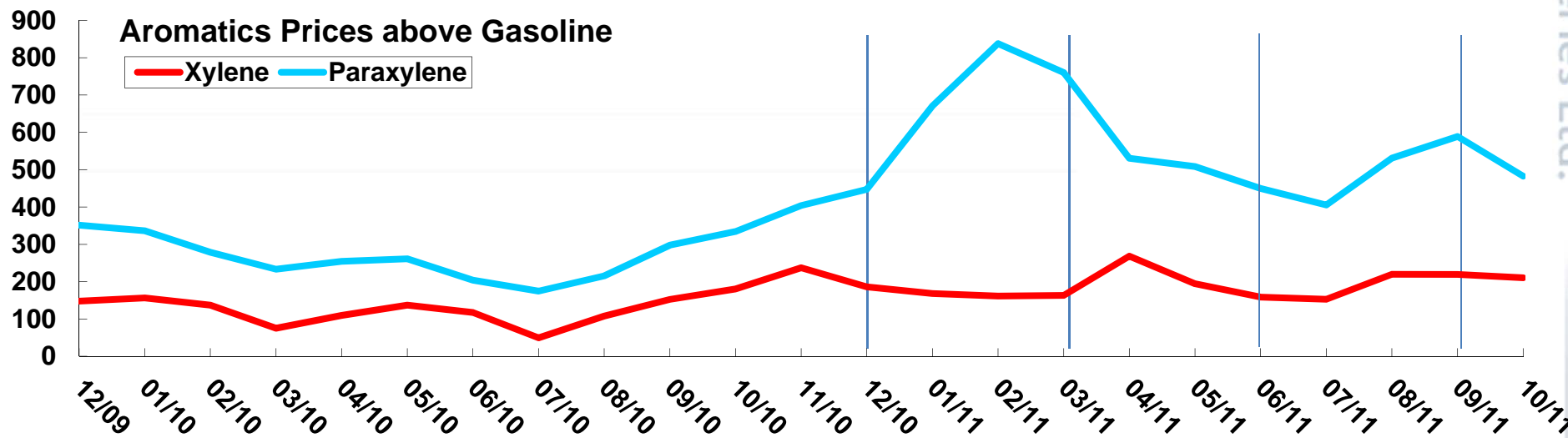
# Operating Environment

*Petrochemical Products (\$/Ton)*

**Polymer Prices Above Naphta**

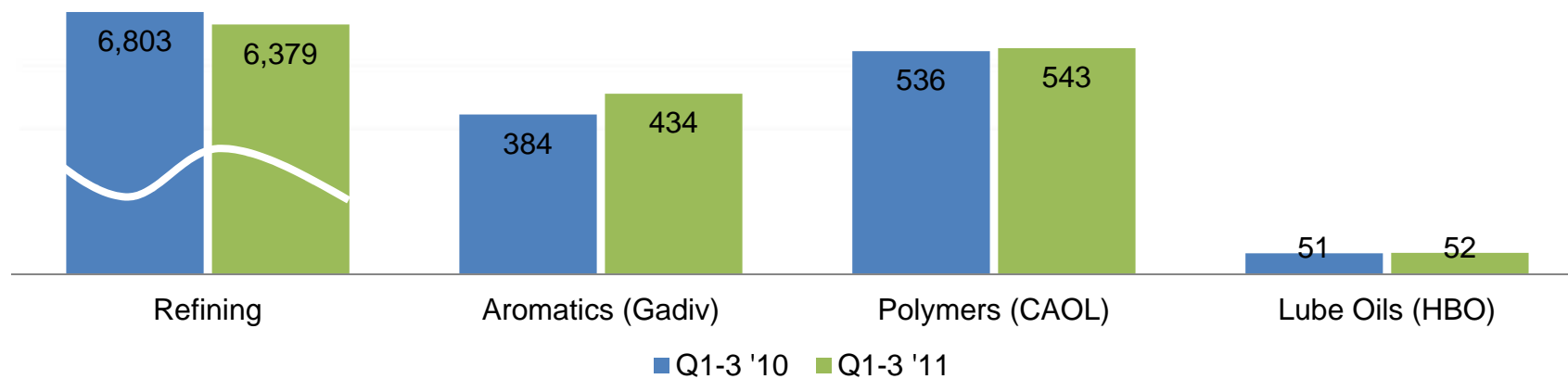
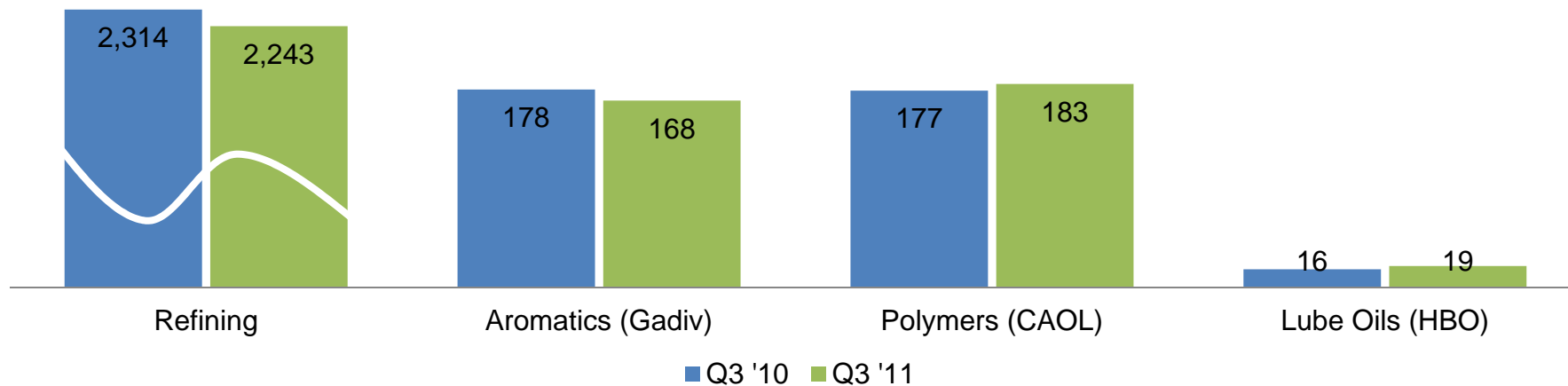


**Aromatics Prices above Gasoline**



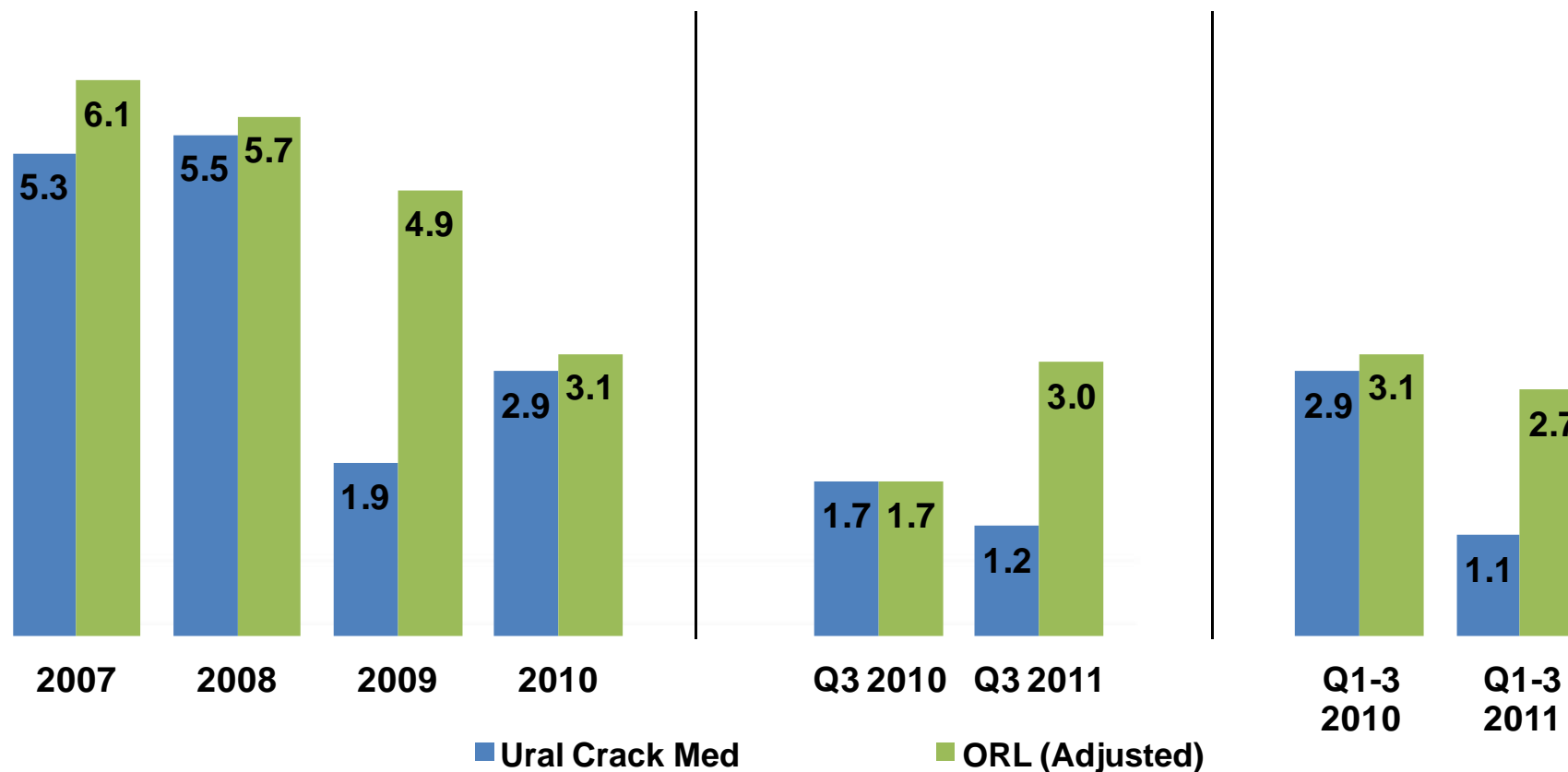
# Q1 - Q3 2011 Results

*Refining & Production (Thousand tons)*



# Q1 - Q3 2011 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*

# Q1 - Q3 2011 Results

*Key Figures (millions)*

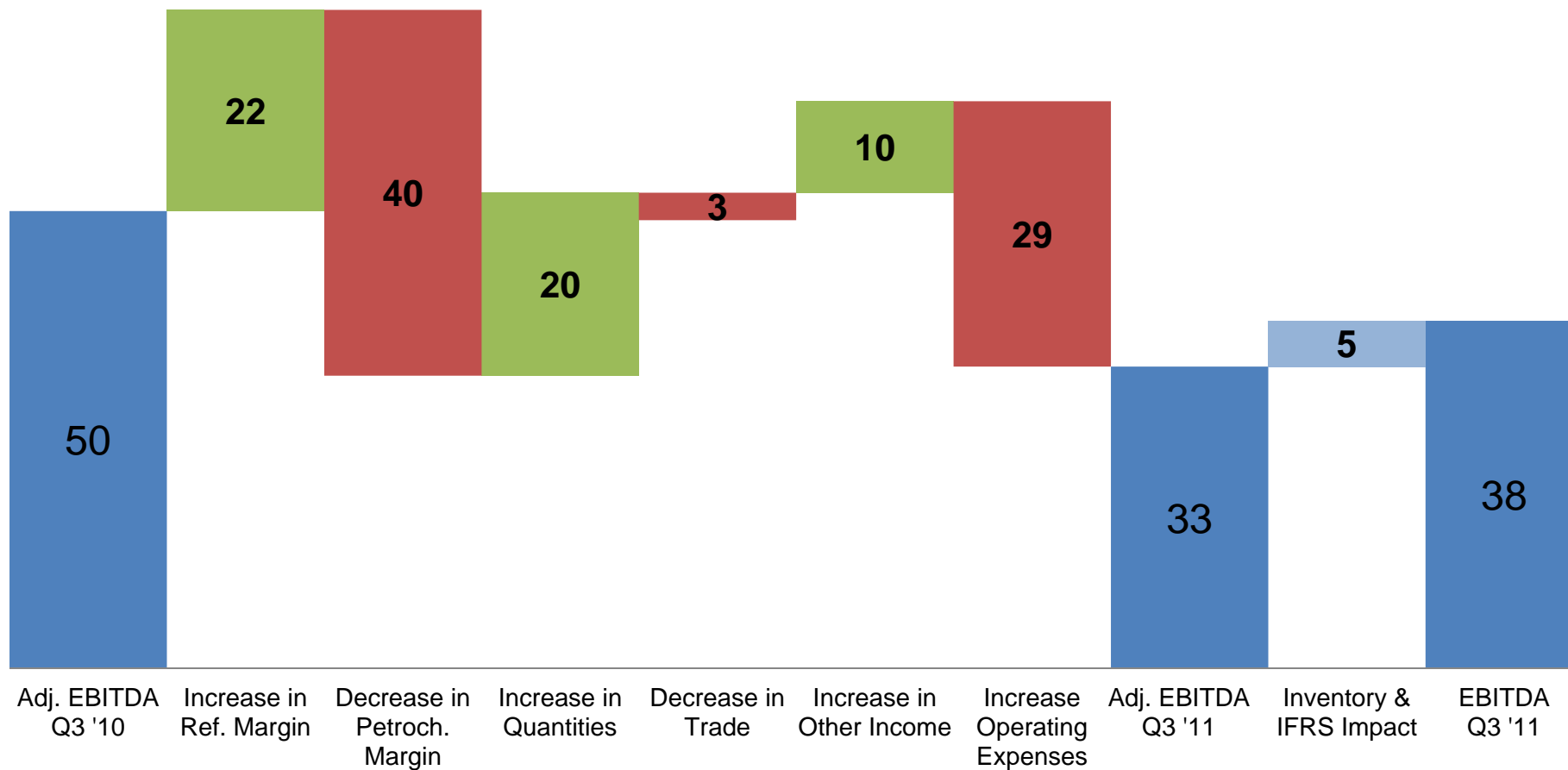
EBITDA	Q3 11	Q3 10	Q1-3 11	Q1-3 10
Refining & Trade	2	4	(11)	42
Polymers (CAOL)	3	37	75	91
Aromatics (Gadiv)	27	8	40	24
Lube-Oils (HBO)	4	3	11	9
Consolidation	(3)	(2)	-	(5)
<b>Consolidated EBITDA</b>	<b>33</b>	<b>50</b>	<b>115</b>	<b>161</b>
<b>Net Consolidated Profit</b>	<b>(25)</b>	<b>23</b>	<b>(9)</b>	<b>50</b>

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

# Q3 2011 Results

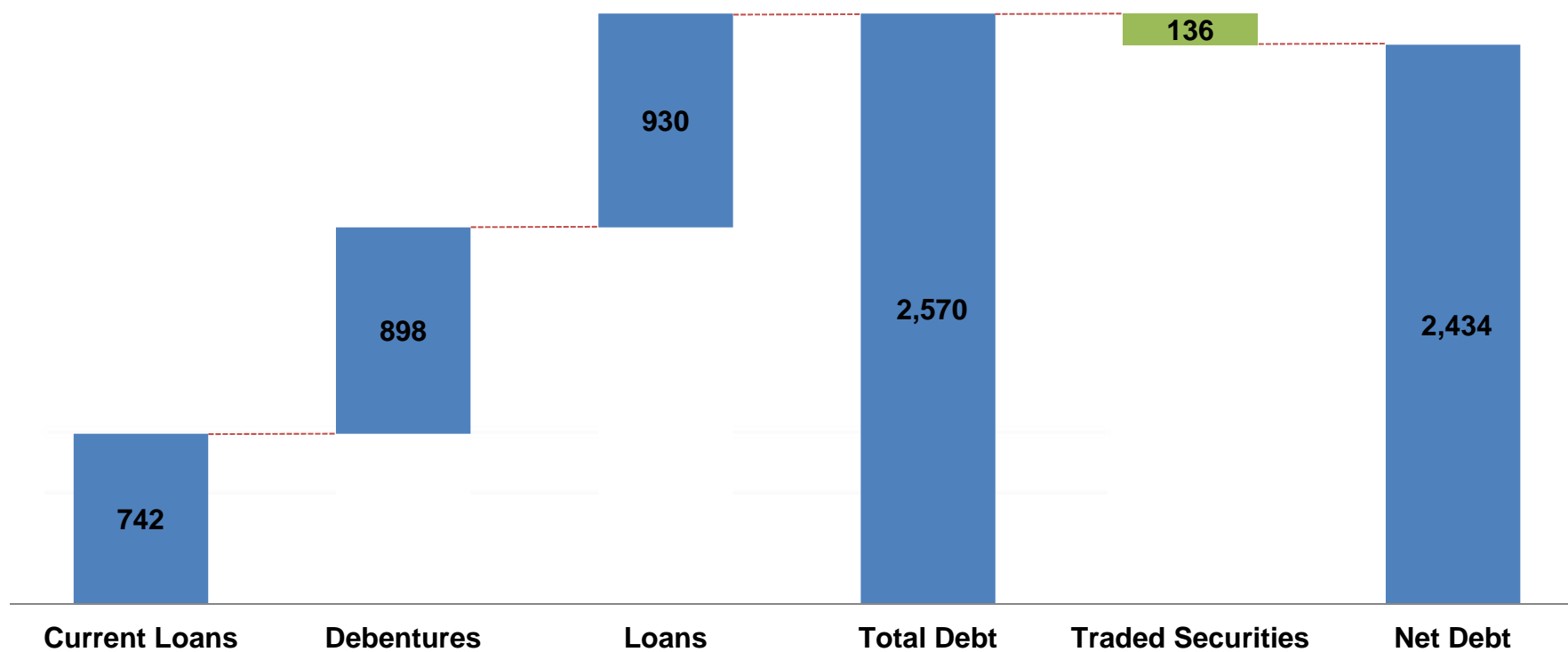
## Change in Adjusted Consolidated EBITDA

(m. US\$)



# Q1 - Q3 2011 Results

*Consolidated Net Debt Bridge* (m. US\$ as of September 30, 2011)



Note: Loans & debentures include current maturities

# Q1 - Q3 2011 Results

## Balance Sheet - Consolidated, September 30, 2011

(m. US\$)

Current Assets	31.12.10	30.09.11
Cash & securities	244	136
Other current assets	491	828
Inventory	1,201	1,176
	<b>1,936</b>	<b>2,140</b>
Non Current Assets		
Other NC assets	408	350
Property, plant & eqpmt.	2,030	2,216
	<b>2,438</b>	<b>2,556</b>
	<b>4,374</b>	<b>4,706</b>

Current Liabilities	31.12.10	30.09.11
Current Fin. liabilities	774	993
Other current liabilities	840	899
	<b>1,614</b>	<b>1,892</b>
Non Current Liabilities		
NC fin. liabilities	1,496	1,566
Other NC fin. liabilities	140	158
	<b>1,636</b>	<b>1,724</b>
Capital		
Shareholder's Capital	1,124	1,090
	<b>4,374</b>	<b>4,706</b>

# Thank You



**ORL**

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