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FOR IMMEDIATE RELEASE

OIL REFINERIES LTD REPORTS DOWNGRADE BY STANDARD & POOR'S MAALOT

Haifa, Israel, May 6, 2012 – Oil Refineries Ltd. (TASE: ORL.TA) ("Oil Refineries Ltd" or the "Company") Israel's largest integrated refining and petrochemical group, announced that Standard & Poor's Maalot downgraded ORL's credit rating to ilBBB+/stable, from ilA, and removed the Company's rating from CreditWatch.

S&P Maalot's translation of the full report will be made available on the Company's website later this week. A non-binding convenience summary of its content is as follow:

- Oil Refineries Ltd. (ORL), which operates in the refining and petrochemical industries, continues to show weak financial results on a background of low refining margins, with a recent addition of a partial supply of natural gas.
- The inventory transactions made by the Company in the first quarter of 2012 only to some extent offsets the expected cash deficit and low refining margins given in the current financial covenants
- S&P Maalot is downgrading ORL to ilBBB+ from ilA-, while also removing the Company's rating from CreditWatch.
- S&P Maalot's stable outlook for the Company is based on the current balance between the Company's advanced progress in its investment plan with the current weak refining environment along with expected gas shortages in the next twelve months. The forecast reflects the Company's ability to present a debt/EBITDA ratio which will not exceed 6.0x from 2013.

ABOUT OIL REFINERIES LTD.

Oil Refineries Ltd. (ORL), located in the bay area of the city of Haifa, operates Israel's largest integrated refining and petrochemical group. It is one of the leading refineries in the Eastern Mediterranean area and integrates, on-site, petrochemical businesses. ORL runs sophisticated and state-of-the-art industrial facilities with a refining capacity of 9.8 million tons of crude oil per year and a Nelson Complexity Index of 7.4, providing a variety of quality products used in industrial operation, transportation, private consumption, agriculture and infrastructure. Besides production of fuels, the company produces in its wholly owned subsidiaries Polymers (through Carmel Olefins Ltd), Aromatics (through Gadiv Petrochemical Industries Ltd), and Lube-Oils (through Haifa Basic Oils Ltd). The Company's shares are listed on the Tel Aviv Stock Exchange under the ticker ORL. For additional information please visit www.orl.co.il.

ORL is controlled by the Israel Corporation Ltd. and Israel Petrochemical Enterprises Ltd., both public companies whose shares are traded on the Tel Aviv Stock Exchange.

The above noted in this release includes forward-looking statements based on Company data, as well as Company plans and estimations based on this data. The activity, results and other data may be substantially different in reality given uncertainty and various risks, including those discussed under risk factors in the Company's financial statements and Director's reports.