

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original.

**Israel Corporation Ltd.**

Registrar Number: 520028010

Form 121

Public

Securities of the Corporation are listed in the Tel Aviv Stock Exchange

Sort name: Israel Corporation

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To:

The Securities Authority

[www.isa.gov.il](http://www.isa.gov.il)

To:

The Tel Aviv Stock Exchange

[www.tase.co.il](http://www.tase.co.il)

**Immediate Report**

*The Event: EMG's announcement*

Further to the description in section 11 of the Company's 2011 Annual Report (reference: 2012-01-084666) regarding the engagement of the Company's subsidiary, O.P.C Rotem Ltd. (in which the Company holds indirectly 80% of the shares) ("OPC"), with East Mediterranean Gas ("EMG") for the purchase of natural gas from Egypt, the Company hereby reports that today, EMG informed OPC, that it received a letter from Egyptian Natural Gas Holding Company / Egyptian General Petroleum Corporation (EGPC/EGAS), according to which, *inter alia*, EGPC/EGAS request to cancel the natural gas supply agreement between them and EMG. EMG argues that, the aforementioned cancellation notice is illegal and not in good faith, and EMG insists that EGPC/EGAS will retract their notification. The company and its legal advisors are examining EMG's announcement, and the alternative actions against EMG available to the company according to the agreement with EMG.

Attached herewith is an Immediate Report of the Oil Refineries Ltd. ("ORL").

An Immediate Report of Israel Chemicals Ltd. was released earlier today.

***[ORL's report attached]***

The date when the event first became known to the corporation: 23/04/2012, time: 15:00.

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Name of report authorized signatory and name of authorized electronic signatory: Maya Alchek Kaplan. Adv.  
Position: General Counsel (In House) and Company's Secretary.  
Signature date: 23/04/2012

Reference of former documents in this regard (referring does not constitute incorporation by reference):  
Former name of reporting entity:  
The Israel Corporation Ltd.

Form structure updated 14/03/2012

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Name of Electronic Reporter: Maya Alchek Kaplan. Adv. Position: General Counsel (In House) and Company's Secretary. Aranha 23, Millennium Tower, Tel Aviv 61204. Phone – 03-6844517, Fax: 03-6844587, e-mail – [mayaak@israelcorp.com](mailto:mayaak@israelcorp.com)



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**FOR IMMEDIATE RELEASE**

## **OIL REFINERIES LTD REPORTS CANCELLATION OF ONE OF ITS GAS CONTRACTS**

**Haifa, Israel, April 25, 2012** – Oil Refineries Ltd. (TASE: ORL.TA) ("Oil Refineries Ltd" or the "Company") Israel's largest integrated refining and petrochemical group, announced that further to sections 1.7.16.5, 1.18.3.4 and 1.22.3.4 of the Company's Periodic Report for 2011, it has been notified by East Mediterranean Gas S.A.E. ("EMG"), with which it has an agreement for the supply of natural gas, that on April 19, 2012, EMG received a letter in which Egyptian General Petroleum Corporation ("EGPC") and Egyptian Natural Gas Holding Company ("EGAS"), suppliers of natural gas to EMG ("the Gas Suppliers"), purport to cancel the gas supply agreement with EMG ("the Cancellation Notice"). EMG added in its letter to the Company that the Cancellation Notice is unlawful and in bad faith, and that it has demanded that the Gas Suppliers withdraw it; EMG promised to keep the Company apprised of any developments, and noted that its notice to the Company will not prejudice EMG's rights or factual allegations.

It is noted that owing to recurring sabotage of the gas pipelines from Egypt, the supply of gas by EMG to the Company has been constantly interrupted and irregular since it began, and that EMG has not supplied any natural gas to the Company since March 5, 2012.

As stated in the Company's reports, the Company has an agreement with another supplier of gas for its plants; however, even though the Company has two agreements for the supply of natural gas to its plants and those of its subsidiaries, at the date of this report the supply of natural gas needed for operation of its facilities is partial and irregular and the Company also uses liquid fuels, at significantly higher cost. The Company is working to exercise its legal rights towards the suppliers of natural gas with which it has agreements and in accordance with those agreements, and is reviewing its rights and possible courses of action vis-à-vis EMG in connection with the gas supply agreement with it.

For more details and partial effects of the supply of natural gas on the Company's ability to comply with the anti air pollution directives issued to it, see also Chapter A of the Company's Period Report for 2011 at the sections cited above. At the date of publication of this report and given the shortage of natural gas, the Ministry for Protection of the Environment has approved the Company's use of fuel oil, effective through May 18, 2012.

**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](http://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.*