

Convenience Translation  
The Hebrew version is the binding version

**Oil Refineries  
Ltd.  
("The Company")**

September 2, 2021

**Nature of the Event:** Cessation of the Flow of Crude Oil in the EAPC Pipeline

The Company hereby reports that the Europe Asia Pipeline Company (hereinafter - "EAPC") has informed the Company that, following a malfunction in the EAPC Pipeline that transmits crude oil to the Haifa Refinery (hereinafter - the "EAPC Pipeline"), it was required by the Ministry of Environmental Protection to perform various tests on the EAPC Pipeline, which - according to its estimates - are expected to last approximately 21 days, during which the EAPC Pipeline will be shut down. EAPC also informed the Company that it is seeking to update the scope of the required tests so as to shorten the expected duration of the tests and the downtime period of the EAPC Pipeline. For further details regarding the Company's dependence on the EAPC, see Section 1.7.15.4 of the Description of the Corporation's Business in the Company's financial statements dated December 31, 2020.

Since most of the crude oil supply to the Company is made through the EAPC Pipeline, as long as EAPC Pipeline is shut down, the Group's facilities will operate at a significantly lower volume than normal and there may be disruptions in the supply of products to the Company's customers. The Company do its best to minimize the damage to production by maximizing the supply of crude oil through the Haifa terminal, which provides only a partial solution. As a result, the Company expects the loss of profits it will incur due to the shutdown of EAPC Pipeline to be substantial; at present, the scope of the loss cannot be estimated, since it mostly depends on the duration of the EAPC Pipeline's shutdown and the availability of partial alternatives to the EAPC Pipeline. Given the abovementioned effects and the possible impacts on Israel's energy economy, EAPC is working, in cooperation with Bazan and the Ministry of Energy to expedite the resumption of flow in the EAPC Pipeline. The Company also works to optimize the production mix of its facilities, so as to allow it to reduce the loss of profits, with an emphasis on producing high value-added products and, as much as possible, mitigating the effects of fuel shortages on the economy.

What is stated in this report regarding the possible shutdown of the EAPC Pipeline, the actions taken by the Company in the matter and the impact of the shutdown on the Company and its business results constitute forward-looking information. The downtime forecast is based on EAPC's announcement and the availability of partial alternatives, as well as on the Company's past experience. If the shutdown of the EAPC Pipeline continues beyond expectations and the partial alternatives to the Pipeline are unavailable, it will result in higher loss of profits for the Company and vice versa.

Yours sincerely,

**Oil Refineries Ltd.**

By: Adv. Eli Mordoch,  
Corporate Secretary

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