

Convenience Translation
The Hebrew version is the binding version

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

February 17, 2018

Attn.
The Tel-Aviv Stock Exchange Ltd
By Magna

Attn.
Israel Securities Authority
By Magna

Dear Sir or Madam,

Re: **Immediate Report - Notice from the Haifa Municipality**

Oil Refineries Ltd ("the Company") reports that Gadiv Petrochemical Industries ("Gadiv"), a wholly owned subsidiary of the Company, has received a notice from the Haifa Municipality that the Municipality has decided not to renew the temporary permit under the Businesses Licensing Law for the transport of dangerous materials by an underground pipeline between Gadiv and the port ("the Permit" and "the Pipeline", respectively), which is valid until February 29, 2020. If the above decision of the Municipality remains unchanged and if an alternative solution is not found for the transport of materials using the Pipeline, this will cause the stoppage of Gadiv's operations and is likely to materially impact on the operation of the other facilities of the Group companies. The Group companies are assessing the operational, legal and other possibilities to reduce the possible impact of the absence of a Permit to use the Pipeline and closing down of all Gadiv's operations.

The Company and Gadiv believe, based upon legal advice received, that the decision of the Haifa Municipality not to renew the Permit is unjustified and without legal or factual basis, and it is Gadiv's intention to petition the competent court to obtain a remedy that will allow use of the Pipeline.

Oil Refineries Ltd.
By: Adv. Eli Mordoch, Corporate Secretary

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