

Convenience Translation
The Hebrew version is the binding version

Oil Refineries Ltd.
("The Company")

October 3, 2021

Re: Immediate report - Polypropylene Production Facility Resumes Operations

To:
Israel Securities Authority Ltd.
Through the MAGNA website

To:
Tel Aviv Stock Exchange Ltd.
Through the MAGNA website

Dear Sir/Madam,

Following the report dated September 21, 2021 (Ref. No. 148119-01-2021), the Company is hereby reporting that the polypropylene production facility of Carmel Olefins Ltd. (hereinafter - "Carmel Olefins") has resumed operations and is once again producing adequate products at normal capacity. During the periodic maintenance,¹ the Company intends to continue to perform inspections and repairs at the facility, with the assistance of the knowledge provider at Carmel Olefins' facilities, scheduled for the first half of 2022.

The EBITDA loss due to the shutdown of the facility is estimated by the Company at approximately USD 12 million, which will be reflected mainly in the fourth quarter results. This estimate is based on the polypropylene margins of the past month, and may change if the margin changes during the fourth quarter.

The said estimated EBITDA loss, most of which is expected during the fourth quarter of this year, constitutes forward-looking information, and is based on the polypropylene margin in the past month; should the margin increase during the fourth quarter, the EBITDA loss is expected to increase as well, and vice versa. The polypropylene margin is mainly derived from the international market, which is not under the Company's control.

Yours sincerely,

Bazan Ltd.
by Adv. Eli Murdoch,
Company Secretary

Disclaimer

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