

Convenience Translation
The Hebrew version is the binding version

Oil Refineries Ltd
("The Company")

November 4, 2020

Re: Signing of a Products Supply Agreement Including an Advance Payment

As part of what was stated in section 1.6.9.1 of the Chapter, Description of the Company's Business in the Company's 2019 Periodic Report (ref. no. 2020-01-022663) concerning the Company entering into annual agreements for the sale of fuel products with foreign customers, the Company announces that it has entered into an agreement with an international trading company ("the Agreement" and "the Customer"), in which the Company has undertaken to supply the Customer an agreed quantity of fuel products containers ("the Products") from the start of 2021 for the whole year, and the Customer has undertaken to purchase them and to pay the Company an advance payment in December 2020 on account of the aforementioned containers in an amount of between USD 80 and 100 million depending on the value of the Products at the date the advance payment is made (close to the date of approval of the report based on market prices of the Products derived from the price of Brent of USD 40 per barrel, the advance payment is estimated at USD 85 million). Provision of this advance payment is conditional upon receiving a dispensation from the banks in respect of the covenant of net financial debt to EBITDA as stated in Chapter 10 in the Company's Directors' Report as of September 30, 2020 (ref. no. 2020-01-119160). In respect of the balance of the consideration for each container, accounting will take place between the Company and the Customer based on principles stipulated in the Agreement, and it will be paid at credit terms usual in this type of transactions. The prices of the Products will be set according to a formula established between the parties as is usual in the sector, according to market prices applicable close to the dates of making the actual sales, from which will be deducted a reduction for the advance payment at an accepted rate.

The Agreement will allow the Company to ensure sales of containers in 2021 as it does in annual agreements on a regular basis as an expansion of sources of working capital and optimal liquidity management, together with or instead of other tools available for raising short-term credit, especially against the background of the consequences of the COVID crisis on its business (for details, see Chapter 10B of Company's Directors' Report as of September 30, 2020).

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

Disclaimer

The English reports on this website are partial translations or extracts of some of the Company's reports filed in Hebrew with the Israel Securities Authorities and the Tel-Aviv Stock Exchange Ltd. They do not necessarily contain all the information included in the Hebrew reports. These translations are for convenience purposes only, and solely the original Hebrew reports are binding.