

Convenience Translation
The Hebrew version is the binding version

Oil Refineries Ltd
(“the Company”)

December 2, 2020

Re: Palestinian Authority Tender, 2021-2022

The Company announces that on December 2, 2020 it received notification from the Palestinian Authority (“the PA”) that the Company had not been selected by the PA to supply it with fuel as part of the tender for the supply of refined products to the PA in the coming two years. The Company has been one of two Israeli suppliers of refined products to the PA since 2012.

In the Company’s opinion, the loss of profit caused by termination of the supply to the PA is not expected to be material.

As part of the sale of fuel products by the Company to the PA the Company has provided the PA with credit whose balance as of the date of this report stands at NIS 340 million. To secure the credit the PA signed a letter of endorsement to the Company of rights to monies the PA would receive from the Israeli government, at terms stipulated therein. For further information, see Note 30 to the 2019 financial statements (ref. no. 2020-01-022663). In the Company’s opinion, termination of the contractual relationship with the PA will not hinder payment of the balance of credit to the Company, and it expects that the balance of credit will be paid during the first quarter of 2021.

What is stated above concerning repayment of the balance of the credit by the PA, its collection capabilities if necessary and the Company’s opinion concerning the scale of expected loss of profit as a result of termination of the contractual relationship is forward looking information. These assessments are based on information the Company holds at this time, forecasts of future sales, and past experience with the PA. There can be no certainty as to the Company's ability to collect the balance of credit and the scale of loss of profit, and in any event that a material change occurs in the above assumptions, the Company's assessments may not be fulfilled and may adversely affect the Company.

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.