



Delek Energy Update on Oil Exploration in Vietnam

Tel Aviv, 18 March 2007. Delek Group (TASE: DLEKG) announced that its subsidiary Delek Energy Ltd. (TASE: DEOL) released today an update on the oil exploration project in Vietnam.

Please find attached below a translation from the Hebrew version of today's press release as issued by Delek Energy Ltd.:

Delek Energy is pleased to announce that it received from the operator of its Vietnamese Project, Premier Oil LLC (hereinafter: "Premier"), information relating to the Project and to the results of the oil exploration taking place at the Dua and Blackbird fields as outlined below:

The successful exploration drilling programme in offshore Vietnam Block 12 discovered the Dua and Blackbird oil fields.

A total of six reservoir penetrations were drilled (three wells and three sidetracks), four drill stem tests performed and four conventional cores recovered during the Dua and Blackbird drilling programme.

Based on Premier's initial estimations, and based on currently available information, it is most likely to assume that recoverable volumes will be approximately 80 million barrels. This is based on assumptions that oil in place is estimated to be in the range of 180 to 620 million barrels.

With first oil currently scheduled for 2010, Premier has commenced pre-development studies for both oil fields and a programme of 3D seismic acquisition will commence in early April 2007 to reduce volumetric uncertainty on the Blackbird field. The 3D area will be extended beyond the Blackbird field to define new prospects ahead of the next phase of exploration drilling, scheduled for 2008 or sooner subject to rig availability.

The Dua field is already covered by 3D seismic data acquired in 2005.

In light of the above, Premier has proposed an updated budget for 2007 totalling approximately \$96 million, and includes a definite budget of \$55 million and an optional budget of \$41 million for the instance whereby the appraisal well and the exploration well will take place in 2007.

In the instance that the entire above noted budget is approved, the subsidiary, Delek Vietnam, will carry its 25% share of the budget totalling \$24 million.

Based on the above noted information received from Premier, it is noted that the information relates to current preliminary oil volume estimations with no certainty. The estimations will be updated as additional geological and engineering information is received. It is emphasised that, as accepted in the Company's field of activity, there are substantial risk factors, including the substantial investment required in developing oil fields, which may affect the project and its economic viability.

It is also emphasised that the National Company of Vietnam (Petro Vietnam) has an option to acquire 15% of the project rights against expenses repayment (i.e. Delek Energy's rights in the project, in the instance of Option Exercise, may decline to 21.25%), and that the government of Vietnam, and Petro Vietnam, have a right to participate in the production, royalties and tax on this project's production.



About The Delek Group

The Delek Group is one of the leading and most prominent and dynamic investment groups in Israel.

The Delek Group is diversified into the following three major subsidiaries:

- Delek Petroleum, with its two subsidiaries: Delek Israel, a gasoline and lubricants distributor in Israel, and Delek USA (NYSE), which operates gas stations and convenience stores and an oil refinery in Southern United States.
- Delek Investments and Properties, a holding company with subsidiaries in the energy, infrastructure, automotive, finance and media sectors.
- Delek Real Estate, through its subsidiaries Dankner and Delek Belron Investments, owns and manages prime global real-estate investments.

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