

Paz Oil Company Ltd ("the Company")

Notice of an Extraordinary General Meeting of the Company's Shareholders

In accordance with the Companies Law, 5759-1999 and the Companies (Notice and Advertisement of a General Meeting and Class Meeting of a Public Company and Addition of a Matter to the Agenda) Regulations, 5760-2000 (hereinafter referred to as "the regulations"), notice is hereby given of an extraordinary general meeting of the Company's shareholders that will be held on ~~Tuesday~~Sunday, November ~~15~~27, 2016 at 15:00 at the Company's offices at Holland House, Euro Park, Yakum. An immediate report containing all the necessary details in accordance with the regulations and the Securities (Periodic and Immediate Reports) Regulations, 5713 1970 in connection with the meeting was published by the Company on Thursday, September 29, 2016 (ref: 2016-01-058170) on the distribution site of the Securities Authority and the website of the Tel Aviv Stock Exchange Ltd (hereinafter referred to as "the stock exchange") at the following addresses: www.magna.isa.gov.il and <http://maya.tase.co.il>.

The Matters on the Agenda

1. To approve amendments to the Company's articles of association, the main points of which are the inclusion of the provisions of the permit to control and hold means of control in Paz Ashdod Refinery Ltd of August 23, 2016, that became effective on September 18, 2016.
2. To approve the terms of office and employment of Mr Isaac Azar in respect of his service as the Company's board chairman with effect from the date of his appointment (September 21, 2016).

The Record Date

The record date as regards the entitlement of a shareholder of the Company to attend and vote at the general meeting and adjourned meeting, as provided in section 182(b) of the Companies Law is the end of the stock exchange trading day on Tuesday, October 18, 2016 (hereinafter referred to as "the record date"). If there is no trading on that day, then the record date will be the last trading day preceding it.

Time for the Delivery of Position Notices and Voting Papers

The deadline for furnishing position notices to the Company is **by 10 days prior to the date of the meeting**. The deadline for furnishing a position notice by the Company, which will include the reply of the Company's board of directors to the shareholders' position notices, is **by five days prior to the date of the meeting**.

The deadline for furnishing voting papers to the Company in respect of a shareholder who is not entered in the register of shareholders is by **four hours prior to the time of the meeting** (namely by ~~Tuesday~~Sunday, November ~~15~~27, 2016 at 11:00). The deadline for furnishing voting papers to the Company in respect of a shareholder who is entered in the register of shareholders is **by six hours prior to the time of the meeting** (namely by ~~Tuesday~~Sunday, November ~~15~~27, 2016 at 09:00).

Voting by Electronic Voting Paper

Shareholders who are not entered in the Company's register of shareholders may also vote in respect of a resolution on the agenda as set out above by a voting paper that should be sent via the electronic voting system (hereinafter – "the electronic voting system"). The electronic voting paper is opened for voting at the end of the record date. **Voting through the electronic voting system will end six hours prior to the time of the meeting** (that is to say on ~~Tuesday~~Sunday, November ~~15~~27, 2016, at 09:00), **when the electronic voting system will be closed**.

Quorum and adjourned meeting

The quorum for the general meeting to proceed to business is two shareholders present in person or by proxy or who have sent the Company a voting paper specifying their vote, who together hold or represent 25% (twenty five percent) of the voting rights in the Company. If such a quorum is not present within half an hour of the time fixed for the meeting, the meeting shall be adjourned for a week to the same day, time and place, without further notice being given. If a quorum is not present at such adjourned meeting, at least one shareholder present in person or by proxy shall constitute a quorum.

Inspection of documents:

The text of the proposed resolutions, the company's articles of association and the immediate report may be inspected until the time of the meeting at the Company's offices on Sundays to Thursdays during ordinary working hours, by prior arrangement with the Company secretary, Adv. Iris Penso (Tel. 09-8631103, Fax. 09-8640857).

The text of the resolutions can also be inspected on the Securities Authority's distribution site and the TASE website as noted above.

The Company