

Metis Capital Ltd.: Update on Petro transaction

Tel Aviv/Israel; September 17, 2009 – Pursuant to the Securities Regulations as well as pursuant to the Companies Regulations Metis Capital is honored to report as follows:

1. On September 17th, 2009, the Company's audit committee and board of directors approved the transaction between the Company and an interested party in it and Petro Group Ltd., pursuant to which Mr. Moni Harel (holder of 49.5% of Ofakim Capital Ltd., which is the controlling shareholder in the Company) shall make available to the Company and to Petro loans, in the amount of 3 to 3.5 million NIS to the Company and in the amount of 6.5 million NIS to Petro, and this upon the same terms as the loan taken up by Moni from the bank with a view to financing the identical loans to the Company and to Petro.
2. In accordance with the bank's requirements and as security for the loans, Moni shall furnish the bank with a liquid financial guarantee (deposit) in the amount of up to 2 million dollars. Moni's Securities shall be made available by him to the bank, without anything being received in return from the Company or from Petro.
3. For the purpose of obtaining the loan, the Company shall mortgage to the bank its share in the asset situated on Amal St. in Petach-Tikva, along with pledging its present-day holdings in Petro (3,989,124 shares accounting for 24.95% of Petro's issued and paid-up capital).
4. The Company and Petro undertake to bear the legal costs of handling the matters, as well as the bank expenses bound up with concluding all of the agreements and registrations relating to the obtainment of the loans and to furnishing the securities, each according to its proportionate share in the loans that shall be obtained.
5. The loans shall be made available by Moni to Metis and to Petro only after the liens in favor of the bank have been registered as required.

6. The members of the Company's audit committee and board of directors confirmed that said engagement is solely designated to provide credit for the Company, as the Company and Petro immediately need moneys, and this in order to be able to effect the forthcoming payment to their bondholders.

7. The obtainment by Moni of the loan from the bank and the grant of the loans (back to back) to the Company and to Petro, including the furnishing of Moni's securities to the bank, are acts done in the Company's best interest, without receiving anything in return, and they are solely designated to provide credit for the Company.

8. Pursuant to that which is stated in Regulation 1C figuring in the Regulations Concerning Relief, one or more shareholders holding at least one percent of the issued capital or of the voting power in the Company is entitled to inform the Company of his objection to offering the relief set forth in the above sections, as stated in the Regulations Concerning Relief, provided however that the latter's objection should be submitted to the Company in writing no later than 14 days after the date of publishing this immediate report. In case the Company should receive notice as stated, the transaction shall be submitted to the Meeting of the Company's Shareholders for approval, pursuant to the provisions of section 275 of the Companies Law, 5759 - 1999.

For further information, please contact:

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