

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original.

**Israel Corporation Ltd.**

Registrar Number: 520028010

**Form 121**

Securities of the Corporation are listed in the Tel Aviv Stock Exchange

**Public**

Sort name: Israel Corporation

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To:

The Securities Authority

www.isa.gov.il

To:

The Tel Aviv Stock Exchange

[www.tase.co.il](http://www.tase.co.il)

**Immediate Report**

Essence of the Event: Negotiation with Development Energy

Following publications in the media this morning, the Company wishes to clarify that it holds negotiations with The Israel Land Development Company – Energy Ltd ("**Development Energy**") in a connection with an investment in Development Energy and in a connection with a possibility of purchasing natural gas subject to commercial discovery and development of the field. The Company's investment in Development Energy, if and insofar the transaction will be executed, will be at a rate which shall not exceed the rate permissible to the Company by law. The Company would like to note that the negotiations have not been yet mature into a binding contract and that there are still material issues which have not yet agreed between the parties.

The date when the event first became known to the corporation: 04/10/2011, time: 10:00.

Reference of former documents in this regard (referring does not constitute incorporation by reference):

Former name of reporting entity:

The Israel Corporation Ltd.

Form structure updated 04/09/2011

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Name of Electronic Reporter: Maya Alchek Kaplan. Position: Legal Counsel and Company's Secretary. Aranha 23, Millennium Tower, Tel Aviv 61204. Phone – 03-6844517, Fax: 03-6844587, e-mail – mayaak@israelcorp.com

