

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
Public**

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

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

Immediate Report

The Event: ICG - Engagement in an agreement of understandings/

The Company is pleased to announce that HelioFocus, a subsidiary of "IC Green Energy" ("ICG") which is wholly owned by the Company, has signed a Memorandum of Understandings with the Chinese energy company "Taiqing" for the execution of an enhancement project of a coal-fired power plant in Central Mongolia in a scope of approx. 200MW.

The MOU was signed after the construction of a number of enhancing plates in Central Mongolia. The MOU is subject to an engagement in a detailed agreement which consummation will be subject on the fulfillment of conditions precedent. Subject to the above, according to HelioFocus' estimations, the enhancement project's construction is planned to begin in 2015.

HelioFocus, as the technology supplier and as the construction contractor of the enhancement project, estimates the scope of the project at approximately \$340 million, and the scope of the project will be set in the detailed agreement, if signed, and subject to its terms.

The above information, as it relates to the possibility of engaging in a detailed agreement and completion of the project, is forward-looking information, as defined in the Securities Law - 1968, based on the information provided to the Company on the date of this report. The signing of a detailed agreement and completion of the agreement may not materialize, or may materialize in a significantly different manner than expected.

The date on which the event first became known to the corporation: October 29, 2013

Time: 12:30

The name of the authorized signatory to the report and the name of the authorized electronic signatory: Maya Alcheh-Kaplan

Position: Vice President, General Counsel and Company Secretary

Date of signing: October 29, 2013