

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.**

Millennium Tower, 23 Aranha Street, P.O.B. 20456, Tel-Aviv 61204

Tel: 03-6844517, Fax: 03-6844587

**ISRAEL CORPORATION**

**Adv. Noga Yatziv**

Company Secretary and Assistant to the President

December 30, 2009

To:

The Securities Authority

3 Canfei Nesharim st.

Jerusalem

(via MAGNA)

To:

The Tel Aviv Stock Exchange Ltd.

54 Ahad Haam st.

Tel Aviv

(via MAGNA)

Dear Sir/Madam,

**Re: Amendment to the Agreement for Joint Control of Oil Refineries Ltd.**

Further to the previous immediate reports in the matter of Oil Refineries Ltd (“**ORL**”), including the Immediate Report dated June 28, 2007, the Immediate Report dated June 7, 2009, and the Immediate Report dated November 3, 2009 (the “**Last Report**”), the Company hereby announces the as follows:

1. In the Last Report it was reported that on November 2, 2009, an addendum (the “**Addendum**”) was signed to the agreement for the joint control of ORL, which was entered into on June 5, 2009, between the Company, on the first part, and Israel Petrochemicals Enterprises Ltd. (hereinafter: “**Petrochemicals**”) and Petroleum Capital Holdings Ltd. (“**Petroleum**”), a wholly-owned subsidiary of Petrochemicals, on the second part (the “**Control Agreement**”).
2. It was also reported in the Last Report that the coming into effect of the Addendum is contingent upon the satisfaction of all the conditions as set forth below by

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

December 30, 2009, or by a later date, should it be agreed upon by all of the parties to the Addendum, in writing ("**Conditions Precedents**"):

- 2.1 Receipt of the Ministers' approval to the Addendum, pursuant to the Government Companies Order (Declaration of the State's Vital Interests in Oil Refineries Ltd.), 5767 – 2007, and the control permits granted according to it ("**the Ministers' Approval of the Addendum**").
- 2.2 An allocation to Petrochemicals of 431,610,944 ordinary shares having a par value of NIS 1.00 each in ORL's issued and paid-up share capital, which shall constitute, immediately after the allocation thereof, 17.75% of ORL's issued and paid-up share capital pursuant to the agreement signed between Petrochemicals and ORL, dated October 27, 2009 (the "**Allocation of ORL's Shares to Petrochemicals**").
3. Considering that: (a) On December 27, 2009 the Ministers' Approval of the Addendum has been given; and (b) it has been reported today on the completion of the transaction to the Allocation of ORL's Shares to Petrochemicals, consequently all the Conditions Precedents have been fulfilled and the Addendum has entered into full effect. It shall be mentioned that following the Allocation of ORL's Shares to Petrochemicals the Company holds approx 37.08% of ORL's issued and paid-up share capital and Petrochemicals holds (directly and indirectly *via* Petroleum) approx. 30.72% of ORL's issued and paid-up share capital.
4. Upon the coming into effect of the Addendum as aforementioned, the Addendum amends the Control Agreement and replaces and supersedes previous addendums that have been signed between the parties to the Control Agreement, in such a manner that all the modifications specified in the Last Report shall apply on the Control Agreement.

**Sincerely yours,**

**Noga Yatziv**