

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

Address: P.O.B. 20456, Tel Aviv 61204

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Date of Transmission: 28/03/2010

Reference: 2010-01-433317

To:

The Securities Authority

www.isa.gov.il

To:

The Tel Aviv Stock Exchange

www.tase.co.il

Immediate Report

The Event: Operation of a third turbine in Peru

See the attached herewith

The date when the event first became known to the corporation: 26/03/2010, time: 16:00.

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 15/03/2010

Name of Electronic Reporter: Noga Yatziv. Position: Company's Secretary.

Aranha 23, Millennium Tower, Tel Aviv 61204. Phone – 03-6844517, Fax: 03-6844587, e-mail – nogay@israelcorp.com

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The Israel Corporation Ltd.

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

Tel: 03-6844517, Fax: 03-6844587

THE ISRAEL CORPORATION

Adv. Noga Yatziv

Company Secretary and Assistant to the President

28 March, 2010

To:

The Securities Authority

via MAGNA

To:

The Tel-Aviv Stock Exchange Ltd.

via MAGNA

Dear Sir/Madam,

Re: **Immediate Report - Operation of a third turbine in Peru**

The Israel Corporation Ltd. (hereinafter: the "**Company**") respectfully reports, further to the immediate report of 16 July 2008 (ref. no.: 2008-01-204924), that the company Kallpa Generacion SA, registered in Peru, (hereinafter: "**Kallpa**"), in which the Company holds approximately 75% of its rights through its fully owned subsidiary, Inkia Energy Ltd. (hereinafter: "**Inkia**"), has begun operating a third turbine in the Chilca site, south of Lima, Peru, with a power of approximately 196 megawatts (compared with the original plan of 192 megawatts) (hereinafter: "**The third turbine**"). The third turbine was constructed with the equipment of Siemens, a German company. The third turbine operates on natural gas in an open cycle. The third turbine joins the two existing turbines in the Chilca site. The three turbines in the Chilca site collectively produce power of approximately 570 megawatts.

Sincerely yours,

Noga Yatziv