

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

Israel Corporation Ltd.

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Millennium Tower, 23 Aranha Street, P.O.B. 20456, Tel-Aviv 61204
Tel: 03-6844517, Fax: 03-6844587

Adv. Maya Alchek Kaplan

General Counsel (In house) and Company Secretary

March 9, 2011

To:
The Securities Authority
via MAGNA

To:
The Tel-Aviv Stock Exchange Ltd.
via MAGNA

Dear Sir/Madam,

RE: Inkia – Edegel

1. Further to the immediate reports of the Company dated September 19, 2010 (Reference Number 2010-01-623907) and October 3, 2010 (Reference Number 2010-01-632460) and as provided in Section 11.2.11a of the periodic report of the Company as of December 31, 2009, the Company hereby reports that the appraiser appointed by the Securities Regulatory Authority in Peru, determined, based on Edegel's valuation in 2007 with the adjustments necessary as of today (the date on which Inkia purchased its holdings in Edegel, that in connection therewith it was required to issue a tender offer), that the price per share of Edegel in the tender offer will be 1.52 Peruvian Sol. The market price per share of Edegel on the last day for acceptance according to the tender offer was 1.99 Peruvian Sol. Accordingly, the tender offer submitted by Inkia Energy Ltd. ("**Inkia**"), a subsidiary of the Company (indirectly), was not responded, and Inkia, did not purchase any additional shares of Edegel in the process of tender offer. As of the date hereof, Inkia holds (indirectly) approx. 21.14% of Edegel's share capital.
2. Further to the immediate report of the Company dated December 13, 2010 (Reference 2010-01-716553), the Company hereby reports that according to its estimation, considering the time period elapsed since submitting an offer, and although it has not received an official reply, Inkia will not purchase, within the framework of a bid in which it participated, assets in the electricity generation field in Central America and the Caribbean.

Sincerely yours,
Israel Corporation Ltd.