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.

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

Adv. Maya Alcheh Kaplan
General Counsel (In house) and Company Secretary

March 22, 2011

TO:

THE SECURITIES AUTHORITY
THROUGH THE MAGNA SYSTEM

THE TEL AVIV STOCK EXCHANGE LTD.
THROUGH THE MAGNA SYSTEM

Dear Sir/Madam,

Re: Immediate Report – Extension of Option to Purchase Natural Gas

Further to the Company's Immediate Reports dated April 7, 2010 (reference 2010-01-442029) and December 13, 2010 (reference 2010-01-716676) (the "**Immediate Reports**"), the Company hereby reports that O.P.C Rotem Ltd. (in which the Company holds indirectly 80% of the shares) ("**OPC**"), which act to build a power plant in Rotem Plateau for production of electricity, and I.C. Power Israel Ltd. (in which the Company holds indirectly 100% of the shares) ("**IC Power**"), which considers the possibility of building an additional power station, received from the natural gas supplier, East Mediterranean Gas S.A.E. (the "**Gas Supplier**"), with which they engaged in a natural gas supply agreement (as set forth in the Immediate Reports), without any consideration, an extension to the option granted to them to purchase additional quantity of natural gas, such than OPC shall be entitled to exercise the option until June 30, 2010, and IC Power shall be entitled to exercise the option until December 31, 2011. A subsidiary of Israel Chemicals Ltd., a subsidiary of the Company, also received without consideration, an extension to exercise the option granted to it by the Gas Supplier, such that it will be entitled to exercise the option until December 31, 2011. Attached herewith is Israel Chemicals immediate report in this regard.

Sincerely,

Israel Corporation Ltd.

Translation from the Hebrew.The Hebrew version is the binding version

Further to the Company's immediate report of April 7, 2010 (ref. no. 2010-01-441966) and December 13, 2010 (ref. no. 2010-01-715068), regarding an agreement that includes an option for the acquisition of an additional quantity of natural gas from the natural gas supplier Mediterranean Gas S.A.E., the Company announces that it has received an extension, for no consideration, to exercise the option, up to December 31, 2011.