

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

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

Tel: 03-6844517, 6844500, Fax: 03-6844587

Email: MAYAAK@ISRAELCORP.COM

Date of Transmission: 31/05/2011

Reference: 2011-01-169338

To:
The Securities Authority
via MAGNA

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

Re: Inapplicability of Sanctions

Israel Corporation Ltd. requests to clarify, in connection with the announcement of the US State Department, and based on the legal advice it received from a US attorney specializing in the matter, that the sanctions imposed by the US administration in respect of the sale of a tanker by "Tanker Pacific" which ended up in the hands of Iran, are not applicable to Israel Corporation, its subsidiaries and companies held by Israel Corporation. Israel Corporation requests to clarify, that publications whereby ships of "Tanker Pacific" docked at ports of Iran, have no connection to Israel Corporation or its subsidiaries or companies held by it.

The date when the event first became known to the corporation: 31/05/2011, time: 05:00.

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 13/03/2011

Name of Electronic Reporter: Maya Alcheh Kaplan. Adv. Position: General Counsel (In House) and Company's Secretary. Aranha 23, Millennium Tower, Tel Aviv 61204. Phone – 03-6844517, Fax: 03-6844587, e-mail – mayaak@israelcorp.com