

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

**ISRAEL CORPORATION LIMITED**

13<sup>th</sup> May, 2007

Securities Authority

Tel Aviv Stock Exchange

Dear Sirs,

**Immediate Report**

Israel Corporation Ltd. (hereinafter "**the Company**") hereby gives notice as follows:

On 11<sup>th</sup> May 2007 the Company, together with a foreign company (unconnected with the Company or owners of control of the Company) (hereinafter "**the Foreign Company**") submitted a bid to a tender for the purchase (by means of a new company to be owned in equal shares by the Company and by the Foreign Company) of 100% of the share capital of a company which, directly or indirectly, owns power stations in Latin America and the Caribbean. As far as the Company is aware, the Company is not the only contestant in the tender. In accordance with the tender practice, as furnished to the Company, subsequent to the receipt of bids, a participant or participants in the tender may be invited for negotiations.

If the Company should eventually be successful in the tender, the indirect purchase of at least 50% of the share capital of the object company may be regarded as a material investment by the Company. The Company does not have particulars of the timetable of the negotiations, if any, for the choice of the winner and completion of the transaction. The Company will submit a supplementary report in accordance with the results of the tender.

Yours faithfully,

Noga Yatziv