

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

13th June, 2007

Securities Authority

Tel Aviv Stock Exchange

Dear Sirs,

Immediate Report

Attached is an Immediate Report of Israel Chemicals Ltd. ("ICL"), a subsidiary of Israel Corporation Ltd.

Time upon which the event first came to the notice of the Company: 13th June 2007 at 10:45.

Yours faithfully,

Noga Yatziv

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ICL-ISRAEL CHEMICALS LIMITED

13th June, 2007

Securities Authority

Tel Aviv Stock Exchange

Dear Sirs,

Immediate Report as to an Event or Matter outside the Ordinary Course of Business

Regulation 36(a) of The Securities (Periodic and Immediate Reports) Regulations - 1970

Further to the notice by section 8.5 in the report of the Board of Directors of ICL for the quarter ended on 31st March 2007, we wish to give notice that on 12th June 2007 the subsidiary of the Company, Dead Sea Works Ltd., received a letter from the Comptroller General in which the Comptroller claims that Dead Sea Works has not paid royalties to the extent of "hundreds of millions of Shekels" and that the Comptroller intends to refer the matter to arbitration in accordance with the license deed of Dead Sea Works. As stated in the report of the Board of Directors, Dead Sea Works is of the opinion that the demand is unfounded, that Dead Sea Works has for several decades, even during the time that it was state owned, operated in accordance with and on the basis of the license deed and that the payment of royalties in the past has already been examined several times by the state authorities including the State Ombudsman and has been approved by independent auditors of Dead Sea Works.

Time upon which the event first came to the notice of the Company: 12th June 2007 at 15:30.

Yours faithfully,

Company Secretary