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ISRAEL CORPORATION LTD

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Adv. Noga Yatziv

Company Secretary and Assistant to the President

March 2, 2009

To:
The Securities Authority
via MAGNA

To:
The Tel Aviv Stock Exchange Ltd.
via MAGNA

Dear Sir/Madam,

Immediate Report: I.C. Green Energy Ltd. - Petrotech

Israel Corporation Ltd. (the "**Company**") hereby reports that I.C. Green Energy Ltd., a subsidiary of the Company (hereinafter "**I.C. Green**") has notified the Company that on 27.2.2009, the authority in Germany equivalent to the Securities Authority (The Federal Financial Supervisory Authority) approved the application of I.C.Green to obtain an exemption from submitting a tender offer in relation to the shares of Petrotech AG (hereinafter "**Petrotech**"). The said exemption is conditional on I.C. Green placing, within the scope of the dates prescribed for such purpose, at Petrotech's disposal, amounts which I.C.Green has offered upon its own initiative to place at Petrotech's disposal, by way of shareholders equity, long term loans and guarantees – in the overall amount of 15 million Euros – for the purpose of advancing the business activity of Petrotech and within scope of implementing the re-organization plan.

Petrotech is a company whose shares are traded on the German Stock Exchange, and which is engaged in the manufacturing, marketing and sale of Biodiesel, based primarily on recycling used food oil, and it owns two factories in Germany. On 4.12.2008, I.C.Green completed the acquisition of approximately 43% of the shares of Petrotech in consideration for approximately 12.3 million Euros, and following such acquisition, I.C.Green approached the Securities Authority in Germany and requested an exemption from submitting a tender offer to the public, in order to enable the injection of shareholders capital, long term loans and guarantees to Petrotech, and such request was approved, as aforesaid. As at the date of this Report, I.C.Green has transferred to Petrotech the sum of approximately 6.3 million Euros by way of loans, and the amount which has already been injected by I.C.Green as aforesaid shall be considered as part of the injection required pursuant to the conditions of the exemption as aforesaid.

Sincerely,

Noga Yatziv