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**ICL'S DEAD SEA WORKS TO BUILD
ENVIRONMENTALLY-FRIENDLY 250MW POWER PLANT
AT AN INVESTMENT OF \$320M**

Tel – Aviv, Israel, July 1, 2012 – ICL (TASE:ICL), a multinational fertilizer and specialty chemicals company, today announced that its ICL Fertilizers segment has finalized its plans for building a 250MW combined cycle cogeneration power plant in Sdom. The new plant, which is intended to be fueled by natural gas, will replace the plant built in 1995 which uses diesel generators powered by heavy fuel oil, and its output will be significantly higher than the existing plant. It is designed to supply Sdom's energy needs for the next 20 years, while simultaneously reducing the company's energy expenditures and protecting the environment.

The new, modern plant, is designed to meet the highest efficiency, reliability and environmental standards. It is based on a gas turbine supplied by Siemens, which can also be powered by light fuel oil, if necessary, and a steam turbine capable of generating 330 tons of steam per hour. Scheduled to begin in Q3 2012 and to be completed during the second half of 2015, the project will be executed under an EPC lump sum contract by a leading international firm in the field of eco-friendly power generation. The gas turbine will be maintained by Siemens under a long term service agreement.

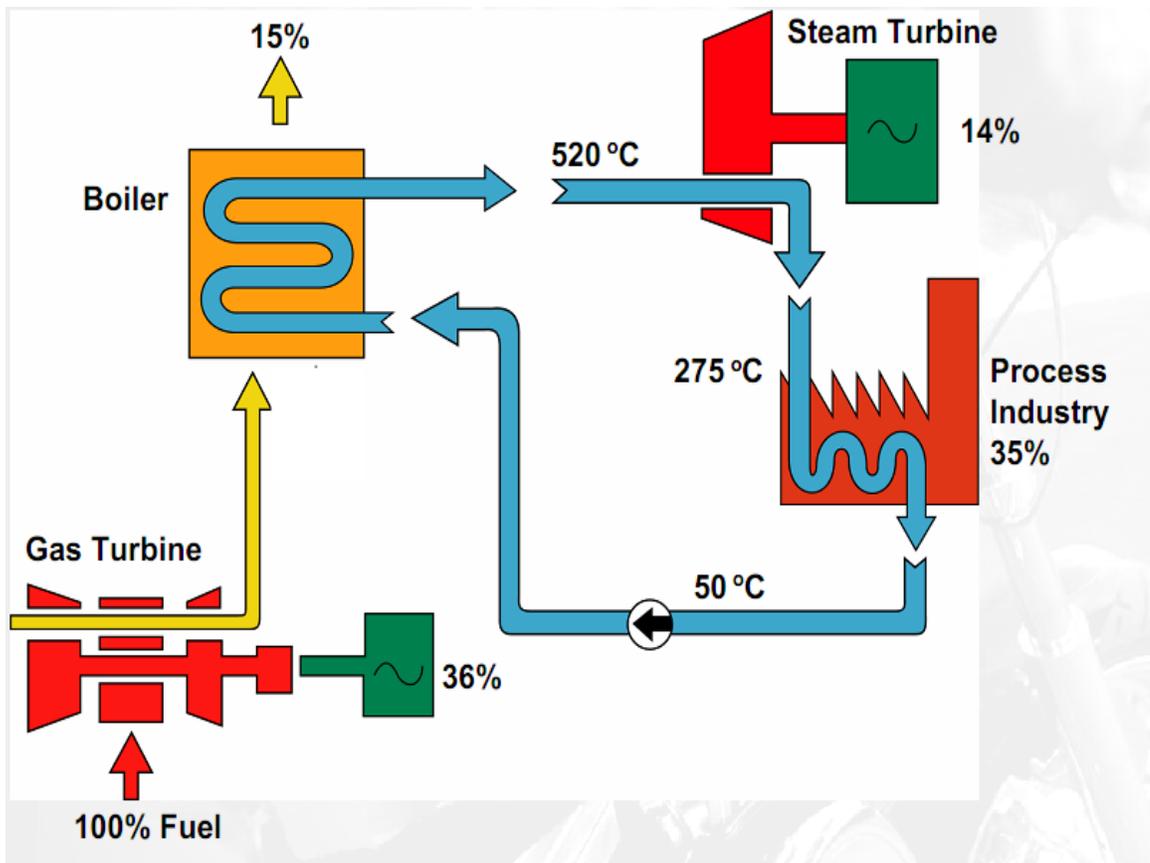
The power plant's favorable environmental profile will derive from its use of natural gas as well as from the above-85% efficiency associated with its combined cycle cogeneration architecture, as compared with 50% for conventional combined cycle power plants.

Commenting on the news, Mr. Dani Chen, CEO of ICL Fertilizers, said, "The construction of our new power plant is an important strategic step that will secure our long-term energy needs while moving us forward in our pursuit of ever-higher achievements of environmental protection, safety and sustainability. The plant's use of a combined cycle cogeneration architecture utilizing a Siemens gas-fired turbine will enable us to generate steam and electricity at exceptionally high efficiency, thereby lowering its cost while enhancing its environmental profile."

Mr. Chen continued, “We are also proud that the project will enable us to bring additional investment and employment to Israel’s Negev, a region whose development is critical for Israel’s future. In this way, this power station assumes national importance beyond its functional contribution to ICL.”

The following diagram illustrates that typical combined cycle power plants utilize approximately 50% of the potential contained in the input fuel to generate electricity: 36% in the gas turbine, with the remaining 64% transferred as hot exhaust gases to a boiler for the generation of steam, which in turn is transferred to a steam turbine to generate an additional 14% of electricity (36% + 14% = 50%). In a typical combined cycle plant, the remaining steam is cooled back to water and returned to the boiler.

However, in the cogeneration process, rather than cooling the steam into water, the system utilizes the steam’s residual energy for other industrial processes, thereby utilizing an additional 35% of the energy. As such, a utilization of 85% of the fuel’s energy potential is achieved with only 15% emitted from the system.



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About ICL

ICL is one of the world's leading fertilizer and specialty chemicals companies. For a world challenged by population growth and scarce resources, ICL makes products that increase global food and water supplies and improve industrial materials and processes.

ICL produces approximately a third of the world's bromine and is the 6th largest potash producer in the world. ICL is a leading supplier of fertilizers in Europe and a major player in specialty fertilizer market segments. One of the world's most integrated manufacturers and suppliers of phosphate products, ICL has become the world's leading provider of pure phosphoric acid and a major specialty phosphate player.

ICL is comprised of three core segments: ICL Fertilizers, ICL Industrial Products and ICL Performance Products. Its major production activities are located in Israel, Europe, the US, South America and China, and are supported by major global marketing and logistics networks. ICL benefits from exclusive concessions to extract minerals from Israel's Dead Sea, a vast source of high-quality and low-cost potash, bromine, magnesium chloride and sodium chloride. ICL also mines phosphate rock from Israel's Negev Desert and potash and salt from its mines in Spain and the UK. ICL's shares are traded on the Tel Aviv Stock Exchange (TASE: ICL).