

Translation from Hebrew. The binding version is in the Hebrew.

Form 053 Public

April 2nd, 2006

Reference: 2006-01-034056

The Securities Authority
www.isa.gov.il

The Tel Aviv Stock Exchange
www.tase.co.il

Immediate Report on an Event or Subject Outside of the Regular Course of Business
(Periodic and Immediate Reports), 5730 – 1970

Regulation 36(a) of Securities Regulations
(Periodic and Immediate Reports), 5730 – 1970
Subject of the Report: Sale Process – Haifa Chemicals

1. In response to publications in the press, we wish to report that on March 27th, 2006 Israel Chemicals Ltd, (hereafter, "the Company") submitted a non-binding letter in which it expressed its interest in studying the possibility of acquiring business and assets of Haifa Chemicals, subject to various conditions, to carrying out due diligence, to successful completion of negotiations and signing of a definitive binding agreement.

To the best of the Company's knowledge, the sale process includes other contenders and there is no certainty that the Company will participate in the sale process and, in any case, there is no certainty that the Company will finalize an agreement as mentioned. There is no certainty that a deal will be finalized, and, if it is finalized, what the structure, terms and timing of the transaction will be. The transaction, if finalized, will be subject to all approvals required by applicable law.

2. The date and time at which the Company became aware of the event or subject:
March 27th, 2006 at 17:00.

Reference of former documents in this regard (referring does not constitute incorporation by reference):

Former name of reporting entity:

Form structure updated 04/09/2005

Name of Electronic Reporter: Aner Berger . Position: General Counsel and Company Secretary.

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