

**The Israel Electric Corporation Ltd.
(the “Company”)**

June 17, 2019

Attn
Israel Securities Authority
www.magna.isa.gov.il

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

**Re: Immediate Report Regarding the Results of the Offering according to the Shelf
Offering Report dated June 16, 2019**

According to the provisions of section 30 of the Securities Law, 5728-1968, and the Securities Regulations (Notice regarding the Results of the Offer in a Prospectus), 5730-1969, the Company respectfully announces the results of the offering according to the Shelf Offering Report of the Company dated June 16, 2019 (reference no: 2019-01-059458) (the “**Shelf Offering Report**”), that was published according to the Shelf Prospectus of the Company dated April 27, 2018 (reference no: 2018-01-041551) (the “**Shelf Prospectus**”).

1. According to the Shelf Prospectus and the Shelf Offering Report, the Company has offered to the public the Commercial Papers (Series 0620) as follows:
 - 1.1. Up to the sum of NIS 270,000,000 par value registered Commercial Papers (Series 0620) (“**Commercial Papers**”), that were offered by way of a uniform offer in a tender on the annual margin rate above the interest of the Bank of Israel which the Commercial Papers will bear, which will not exceed 0.2% per annum. The Commercial Papers were offered to the public in 270,000 units when each unit includes Commercial Papers (Series 0620) of a par value of NIS 1,000 (“**Unit 0620**”).
 - 1.2. Classified investors undertook in an early undertaking to submit requests to purchase 220,000 Units 0620, and this is at quantities and at an annual margin rate per Units 0620 as set forth in section 3.5 of the Shelf Offering Report.
2. The following are the results of the tender for the purchase of the units of the Commercial Papers (Series 0620) that was held on Monday, June 17, 2019:

- 2.1. 13 orders were received in the tender to purchase 240,200 Units 0620, of which orders to purchase 20,200 Units 0620 were received from the public, and orders to purchase 220,000 Units 0620 were received according to an early undertaking of classified investors in the tender for classified investors¹ ("**Undertaking of Classified Investors**").
- 2.2. The annual margin rate above the interest of the Bank of Israel which the Commercial Papers (Series 0620) will bear as determined in the tender is 0.2% (the "**Margin Rate Determined in the Tender per Unit 0620**").
- 2.3. According to section 1.2 of the Shelf Offering Report, given that the number of orders for the purchase of the Commercial Papers received in the tender exceeded NIS 220,000,000 par value (the "**Maximum Issued Amount**"), the total excess amount of orders received above the Maximum Issued Amount (the "**Excess Amount**") is NIS 20,200,000 par value, and the Company shall issue Commercial Papers in the Maximum Issued Amount only. Issuance of the units to the public in the amount of the Excess Amount (only) will not be performed, and funds will not be collected for the Excess Amount (only). The allotment to the subscribers whose orders were accepted within the framework of the public offering, shall be made in accordance to the pro-rata ratio between the Maximum Issued Amount and the number of orders accepted in the public tender, so that the rate of allotment to each party under the public tender (including the Undertaking of Classified Investors) shall be unified and at a rate of approximately 91.59% ("**Allocation Rate in the Tender**"), as follows:
- 2.3.1. 3 orders to purchase 20,200 Units 0620 in which the margin rate per quoted was lower than the Margin Rate Determined in the Tender per Unit 0620, have been partially accepted, so that out of 20,200 units only 18,500 will be allotted.
- 2.3.2. 10 orders to purchase 220,000 Units 0620 in which the margin rate per unit quoted was equal to the Margin Rate Determined in the Tender per Unit 0620, have been partially accepted, so that out of 220,000 units only 201,500 will be allotted.
- 2.4. In total the Company shall issue 220,000 Units 0620 at a total par value of NIS 220,000,000. The total gross consideration that the Company shall receive for the Commercial Papers (Series 0620) issued according to the Shelf Offering Report totals the sum of NIS 220,000,000.
- 2.5. The offer of Commercial Papers (Series 0620) was not secured by underwriting.

¹ For additional details regarding the results of the classified investors tender, see the Company's Immediate Report dated June 13, 2019 (reference no: 2019-01-058840).

The Company thanks the investors for responding to the offer according to the Shelf Offering Report.

Sincerely,
The Israel Electric Corporation Ltd.

By:
Mr. Ofer Bloch, CEO
Mr. Avraham Doitchman, SVP of Finance and Economics
and Business Development