The Israel Electric Corporation Ltd.
(the "Company")

May 24, 2020

To: The Israeli Securities Authority
www.magna.isa.gov.il
To: The Tel Aviv Stock Exchange
www.maya.tase.co.il

Via MAGNA

Subject: Resolution of the Company's Board of Directors to Issue Bonds (by means of expending existing Company's series of bonds)

The Company respectfully notifies that on May 21, 2020, the Board of Directors has adopted a resolution to execute the issuance of bonds to the public, by means of expanding the Company’s series of bonds (series 30) and/or the Company’s series of bonds (series 31) (jointly, the "Bonds"), which were initially listed for trading on the Tel Aviv Stock Exchange Ltd. ("TASE") according to the Company's Shelf Offering Report dated November 11, 2018 (References: 2018-01-107169) and in accordance with the Company's shelf prospectus dated April 27, 2018 (Reference: 2018-01-041551), that the period to offer securities pursuant to it, was extended until April 26, 2021 (Reference: 2020-01-032758) (the "Shelf Prospectus"), in an estimated scope of NIS 0.5 Billion and up to an additional NIS 0.5 Billion, in accordance with market conditions.

The issuance of the Bonds, if executed, shall be carried out through a Shelf Offering Report, which shall be published in accordance with the Shelf Prospectus. The Bonds shall be issued (if and insofar as they are issued) by means of a uniform offer, in a tender for the price per unit. The terms of the Bonds to be issued, shall be identical to the terms of the existing series of bonds, in circulation.

It should be clarified, that as of the date of this immediate report, there is no certainty as to the execution of the issuance, its timing, scope and terms. The execution of the issuance is subject to, inter alia, the Company's discretion, the approval of the Company's Board of Directors, the fulfillment of appropriate market conditions, to obtaining a rating from the companies rating the Bonds, to the approval of the TASE for listing the Bonds for trade and for the publication a Shelf Offering Report by the Company.

Nothing in this report shall constitute a public offering or an invitation to purchase securities.

Sincerely,

The Israel Electric Corporation Ltd.
By:
Ofer Bloch, CEO
Yael Nevo, Adv., SVP & General Counsel