

4 January 2012

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

Re: Immediate Report of a Permanent Solution and Royalties

Further to the Companies' reports dated July 3, 2011 (Reference No. 2011-01-199626), September 11, 2011 (Reference No. 2011-01-269844), November 17, 2011 (Reference No. 2011-01-330438), December 28, 2011 (Reference No. 2011-01-377307), December 29, 2011 (Reference No. 2011-01-378960) and January 1, 2012 (Reference No. 2012-01-001548), the Company hereby wishes to report that yesterday *Adam Teva V'Din*: Israel Union for Environmental Protection and The Movement for Quality Government in Israel (hereinafter, "the petitioners") filed a petition with the High Court of Justice (hereinafter, "the High Court") to issue an *order nisi*, and a request for an interim order versus the Government of the State of Israel, the Ministry of Finance and Dead Sea Works (hereinafter, "DSW" and together, "the respondents") regarding the decision of the Government on January 1, 2012 regarding a permanent solution for the level of the Dead Sea and the royalties (hereinafter, "the petition").

In the request the petitioners petitioned the High Court to Order the cancellation of the government resolution and instruct the Government that the agreement, which is the subject of the aforementioned decision, not become valid until the petition is heard.

The Company and Its legal counsels are studying the petition documents.

Sincerely,

Israel Chemicals Ltd.