

AMPAL-AMERICAN ISRAEL CORP  
Form 8-K  
May 26, 2006

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported) May 22, 2006

**AMPAL-AMERICAN ISRAEL CORPORATION**

**(Exact Name of Registrant as Specified in Charter)**

New York  
**(State or Other Jurisdiction  
of Incorporation)**

0-538  
**(Commission  
File Number)**

13-0435685  
**(IRS Employer  
Identification No.)**

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111 Arlozorov Street, Tel Aviv, Israel  
(Address of Principal Executive Offices)

62098  
(Zip Code)

Registrant's telephone number, including area code 866-447-8636

N/A

**(Former Name or Former Address, if Changed Since Last Report)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 1.01 Entry into a Material Definitive Agreement.**

On May 22, 2006, Ampal-American Israel Corporation (the Company ) announced that it has entered into an agreement (the Agreement ) to sell its 50% investment in Coral World International Ltd. ( CWI ) to the other shareholder of CWI for total consideration of \$21 million. As a result of the sale, the Company will record a gain of approximately \$4.9 million. The closing of the sale is subject to customary and specific closing conditions, and the Company expects the sale to be completed during the second quarter of 2006.

CWI builds and operates underwater observatories around the world including the observatories in Eilat (Israel), Perth (Australia) and Maui (Hawaii, USA), and is constructing a fourth observatory in Palma De Majorca (Spain).

The foregoing description of the Agreement does not purport to be complete and is qualified in its entirety by reference to the Agreement, which the Company intends to file as an exhibit to its next quarterly report.

A copy of the Company s press release announcing the execution of the Agreement is attached hereto as Exhibit 99.1 and is incorporated in this report by reference.

**Item 9.01 Financial Statements and Exhibits.**

*(d) Exhibits.*

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	Press Release of Ampal-American Israel Corporation, dated May 22, 2006.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 26, 2006

AMPAL-AMERICAN ISRAEL CORPORATION

By: /s/ Yoram Firon

and Corporate Affairs

Name: Yoram Firon  
Title: Vice President - Investments

**EXHIBIT INDEX**

99.1 Press Release of Ampal-American Israel Corporation, dated May 22, 2006.

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