

AMPAL-AMERICAN ISRAEL CORP
 Form 3
 October 19, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0104
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
 Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person * Â Merhav (m.n.f.) LTD (Last) (First) (Middle) 33 HAVAZELET HASHARON STREET (Street) HERZLIYA, ISRAEL, Â L3Â 46105 (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 10/09/2006	3. Issuer Name and Ticker or Trading Symbol AMPAL-AMERICAN ISRAEL CORP [AMPL]	4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> Officer (give title below) <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Other (specify below)	5. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person
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Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Class A Stock	10,248,002 ⁽¹⁾	D	Â

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) Title	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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Date	Expiration	Amount or	or Indirect
Exercisable	Date	Number of	(I)
		Shares	(Instr. 5)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Merhav (m.n.f.) LTD 33 HAVAZELET HASHARON STREET HERZLIYA, ISRAEL, L3 46105	^	^ X	^	^

Signatures

/s/ Merhav (m.n.f..) Limited By: Yosef A. Maiman, President & CEO 10/19/2006

__Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

On August 1, 2006, the reporting person, which is an Israeli corporation 100% owned by Yosef A. Maiman, entered into an agreement with a wholly owned subsidiary of the Issuer for the sale of a portion of the reporting person's interest in East Mediterranean Gas Co. S.A.E., an Egyptian joint stock company. The purchase price paid by the Issuer for such interest was \$100,000,000, of which \$50,000,000 (1) was paid in cash and the balance was paid in 10,248,002 shares of the Issuer's Class A Stock. The number of shares of Class A Stock of the Issuer to be issued to the reporting person in satisfaction of the purchase price was calculated by using the average price of the Issuer's Class A Stock during the 20 trading days prior to August 1, 2006. The 10,248,002 shares were issued to the reporting person on October 9, 2006.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.