



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

October 7, 2010

Yosef A. Maiman  
Chief Executive Officer and President  
Ampal-American Israel Corporation  
555 Madison Avenue  
New York, NY 10022

**Re: Ampal-American Israel Corporation  
Form 10-K for Fiscal Year Ended December 31, 2009  
Filed March 8, 2010  
Form 10-Q for the Quarterly Period Ended June 30, 2010  
Filed August 4, 2010  
Definitive Proxy Statement  
Filed March 31, 2010  
File No. 000-00538**

Dear Mr. Maiman:

We have reviewed your filing and have the following comments. In some of our comments, we may ask you to provide us with information so we may better understand your disclosure.

Please respond to this letter within ten business days by amending your filing, by providing the requested information, or by advising us when you will provide the requested response. If you do not believe our comments apply to your facts and circumstances or do not believe an amendment is appropriate, please tell us why in your response.

After reviewing any amendment to your filing and the information you provide in response to these comments, we may have additional comments.

Form 10-Q for the Quarterly Period Ended June 30, 2010

6. East Mediterranean Gas Company, page 10

1. We have reviewed your response to comment 1 in your letter dated September 24, 2010, and note that you believe the impact of applying taxes paid in Egypt to the discounted cash flow analysis of EMG would be materially offset with an increase in value that would be ascribed to tax attributes that potentially can be monetized by the buyer. Please explain in greater detail how these tax attributes function, and provide us with a materiality analysis of the impact of taxation by Egypt on your valuation of EMG. Additionally, please confirm that the nature of EMG's business would not cause an owner of EMG's shares to be ineligible to receive US foreign tax credits related to EMG.

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We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filing to be certain that the filing includes the information the Securities Exchange Act of 1934 and all applicable Exchange Act rules require. Since the company and its management are in possession of all facts relating to a company's disclosure, they are responsible for the accuracy and adequacy of the disclosures they have made.

In responding to our comments, please provide a written statement from the company acknowledging that:

- the company is responsible for the adequacy and accuracy of the disclosure in the filing;
- staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filing; and
- the company may not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

You may contact Eric McPhee, Staff Accountant, at (202) 551-3693, or me at (202) 551-3486 if you have questions regarding comments on the financial statements and related matters. Please contact Erin Martin, Attorney Advisor, at (202) 551-3391 or Jennifer Gowetski, Attorney Advisor, at (202) 551-3401 with any other questions.

Sincerely,

Daniel L. Gordon  
Branch Chief