

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**ITEM 1 — Name and Address of Company**

Adira Energy Ltd. (the “Company”)  
120 Adelaide Street West  
Suite 1204  
Toronto, ON  
M5H 1T1

**ITEM 2 — Date of Material Change**

June 12, 2012

**ITEM 3 — News Release**

A press release was disseminated on June 12, 2012 through CNW Group Ltd.

**ITEM 4 — Summary of Material Change**

On June 12, 2012, the Company issued a press release to announce that the Ministry of Energy and Water of the State of Israel (the “Ministry”) has granted an extension of the dates for the execution of a drilling contract and the spudding of the first well on the Gabriella and Yitzhak licenses offshore.

**ITEM 5 — Full Description of Material Change**

A full description of the material change is contained in the press release dated June 12, 2012, a copy of which is attached hereto as Schedule “A”.

**ITEM 6 — Reliance on Section 7.1(2) of National Instrument 51-102**

N/A

**ITEM 7 — Omitted Information**

N/A

**ITEM 8 — Executive Officer**

For further information, please contact:

Alan Friedman, Executive Vice-President Corporate Development

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**ITEM 9 — Date of Report**

June 12, 2012



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## News Release

### ADIRA ENERGY GRANTED EXTENSION OF DRILL CONTRACT AND SPUD DATES ON ITS GABRIELLA AND YITZHAK LICENSES, OFFSHORE ISRAEL

**TORONTO, June 12, 2012 /CNW/ - ADIRA ENERGY LTD. (TSXV: ADL) (OTCBB: ADENF) (FRANKFURT: AORLB8).** Adira Energy Ltd. (“Adira” or the “Company”) is pleased to announce that the Ministry of Energy and Water of the State of Israel (the “Ministry”) has granted an extension of the dates for the execution of a drilling contract and the spudding of the first well on the Gabriella and Yitzhak licenses offshore, indicated below:

License	New Contract Execution Date (Original date)	Submission of an Environmental Study (Original date)	New Spud Date (Original date)
<b>Gabriella</b>	September 1, 2012 (July 1, 2012)	July 20, 2012 (September 1, 2012)	June 30, 2013 (December 1, 2012)
<b>Yitzhak</b>	September 1, 2012 (July 1, 2012)	September 1, 2012 (September 1, 2012)	October 30, 2013 (December 1, 2012)

The date for the submission of the Environmental Study was brought forward (as above), and Adira management believes they are able to submit the study within this timeline.

**Jeffrey E. Walter, Chief Executive Officer of Adira Energy** stated: *“We are delighted with the Ministry of Energy and Water’s decision to extend our Gabriella and Yitzhak licenses for approximately one year. The extensions on the licenses are a significant event, as it allows Adira additional time in order to secure funding to obtain the rigs required to drill the wells on Gabriella and Yitzhak. The imminent drilling deadlines have been placing a burden on Adira’s ability to raise capital in the current challenging global markets. With these extensions, the Company has the ability to secure the financing required to provide the necessary financial commitments in order to drill within the extended timelines.”*

#### **About Adira Energy Ltd.**

Adira Energy Ltd. is an oil and gas company which is focused in the eastern Mediterranean. The Company has three petroleum exploration licenses offshore Israel; the Gabriella, Yitzhak and Samuel Licenses. These licenses are located respectively 10 km offshore between Netanya and Ashdod, 17 km offshore between Hadera and Netanya and adjacent to the coast between Ashkelon and Bat-Yam.

#### **Forward-Looking Statement Disclaimer**

This press release includes certain statements that may be deemed “forward-looking statements”. All statements in this press release, other than statements of historical facts are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance, and actual results or developments may differ materially from those in the forward-looking statements. Forward-looking statements are based on the Company’s internal projections, estimated or beliefs, concerning, among

other things an outlook on the estimated amounts and timing of exploration work and capital expenditures or other expectation, beliefs, plans, objectives, assumption, intentions or statements about future events or performance, which are considered by management to be reasonable at the time made. Actual events or results may differ materially. Although the Company believes that the expectations reflected in the statements are reasonable, it cannot guarantee future results since such results are inherently subject to significant business, economic, corporate, political and social uncertainties and contingencies. Many factors cause the Company's actual results to differ materially from those expressed or implied in any forward looking statements made by, or on behalf of, the Company and the foregoing stated factors are not exhaustive. The statements contained herein are made as of the date hereof and the Company disclaims any intent or obligation to update publicly any forward looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable law. Company shareholders and potential investors should carefully consider the information contained in the Company's filing with Canadian securities administrators at [www.sedar.com](http://www.sedar.com) before making investment decisions with regard to the Company.

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