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## News Release

### ADIRA ENERGY GRANTED EXTENSION OF DRILL CONTRACT AND SPUD DATE ON ITS SAMUEL LICENSE, OFFSHORE ISRAEL

**TORONTO, July 3, 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 Samuel offshore license as indicated below:

	Original date	Revised date
<b>Contract Execution Date</b>	July 1, 2012	October 31, 2012
<b>Submission of an Environmental Study</b>	-	July 10, 2012
<b>Spudding of first well</b>	October 1, 2012	April 30, 2013

The date for the submission of the Environmental Study is a new required milestone, and Adira management will submit the study within this timeline.

This extension complements those extensions granted for the execution of drilling contracts and the spudding of the first wells for the Gabriella and Yitzhak Licenses (**as announced June 12, 2012**), thus providing the Company with sufficient time to execute on its entire License portfolio.

**Jeffrey E. Walter, Chief Executive Officer of Adira Energy** stated: “*Following last month’s decision by the Ministry of Energy and Water to extend our Gabriella and Yitzhak licenses, we are delighted that the Ministry has also extended our Samuel license. This is another significant achievement for Adira, as it gives us flexibility in our ability to identify a rig and sign a contract.*”

#### **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

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