

ADIRA ENERGY LTD.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the “**Meeting**”) of shareholders of Adira Energy Ltd. (the “**Corporation**”) will be held at the office of Aird & Berlis LLP, Barristers and Solicitors, Brookfield Place, Suite 1800, 181 Bay Street, Toronto, ON Canada M5J 2T9, on August 2, 2012 at the hour of 9:00 a.m. (Toronto time), for the following purposes:

- (a) To receive the consolidated audited annual financial statements of the Corporation for the year ended December 31, 2011 and the report of the auditors thereon.
- (b) To consider, and if deemed advisable, to pass the resolution electing the directors named in the accompanying management information circular (“**Information Circular**”) of the Corporation.
- (c) To appoint the auditors and to authorize the directors to fix their remuneration.
- (d) To consider, and if deemed advisable, to pass the resolution approving the Corporation’s stock option plan (the full text of which is reproduced as Schedule “A” to the Information Circular).
- (e) To transact such other business as may properly come before the Meeting or any adjournment thereof.

Shareholders of record as at the close of business on Tuesday, July 3, 2012, will be entitled to notice of and to vote at the Meeting.

A detailed description of the matters to be acted upon at the Meeting is set forth in the Information Circular.

Copies of: (a) this notice of annual and special meeting of shareholders, (b) the Information Circular, and (c) a Management form of proxy and instructions in relation thereto (the “**Management Proxy**”) may be obtained at the following office: 120 Adelaide St. West, Suite 1204, Toronto, ON, Canada M5H 1T1 or will be sent to a shareholder without charge upon request by calling (416) 250-1955.

DATED the 4th day of July, 2012.

By Order of the Board of Directors

(Signed) DENNIS BENNIE
Chairman of the Board

NOTE: If you are the holder of Common Shares, kindly fill in, date, sign and return, in the addressed prepaid envelope provided for that purpose, the enclosed Management Proxy in respect of the Common Shares owned by you and deliver the completed Management Proxy in the addressed prepaid envelope provided or deposited at the offices of Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, Canada M5J 2Y1, on behalf of the Corporation, so as not to arrive later than 9:00 a.m. (Toronto time) on Tuesday, July 31, 2012, or if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the Management Proxy is to be used. Management Proxies may not be deposited with the chair of the Meeting prior to the commencement of the Meeting or any adjournment thereof. Registered shareholders may also vote by telephone or over the Internet. Instructions on how to vote by telephone or over the Internet are provided in the Information Circular and Management Proxy enclosed. Non-registered shareholders should follow the instructions on how to complete their voting instruction form or form of proxy and vote their shares on the Management forms that they receive or contact their broker, trustee, financial institution or other nominee.