

**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

July 25, 2012

ITEM 3 — News Release

A press release was disseminated on July 25, 2012 through CNW Group Ltd.

ITEM 4 — Summary of Material Change

Adira Energy Ltd. files a final short form prospectus containing the details of its previously announced fully marketed prospectus offering.

ITEM 5 — Full Description of Material Change

A full description of the material change is contained in the press release dated July 25, 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

(416) 250-1955

ITEM 9 — Date of Report

July 30, 2012



Suite 1204- 120 Adelaide St. W
Toronto, Ontario
M5H 1T1
www.adiraenergy.com
t. 416.361.2211
f.416.361.6455
TSX.V: ADL

News Release

NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR DISSEMINATION IN THE UNITED STATES

ADIRA ENERGY ANNOUNCES FILING OF FINAL PROSPECTUS

TORONTO, July 25, 2012 /CNW/ - ADIRA ENERGY LTD. (TSXV: ADL) (OTCBB: ADENF) (FRANKFURT: AORLB8). Adira Energy Ltd. (“Adira” or the “Company”) is pleased to announce that it has filed a final short form prospectus containing the details of its previously announced fully marketed prospectus offering (the “Offering”). The Company has entered into an agency agreement with a syndicate of agents co-led by GMP Securities L.P., Cormark Securities Inc. and Dundee Securities Ltd. (collectively, the “Co-Lead Agents”), and including Clarus Securities Inc., and FirstEnergy Capital Corp. (together with the Co-Lead Agents, the “Agents”) pursuant to which the Agents have agreed to act as exclusive agents to the Company to arrange for the sale on a “best efforts” basis of a minimum of 71,428,571 units and up to a maximum of 107,142,857 units of the Company at a price of \$0.14 per Unit, for aggregate gross proceeds of a minimum of \$10,000,000 and a maximum of up to \$15,000,000. PowerOne Capital Markets Limited is acting as a member of the selling group in connection with the Offering. Each Unit is comprised of one common share in the capital of the Company (each, a “Common Share”) and one common share purchase warrant (each, a “Warrant”). Each Warrant will entitle the holder thereof to acquire one Common Share at an exercise price of \$0.20 for a period of 36 months following the closing of the Offering.

The Company also granted the Agents an over-allotment option (the “Over-Allotment Option”) to purchase additional Units and/or Warrants exercisable for a period of 30 days from the closing of the Offering for market stabilization purposes and to cover the Agents’ over allocation position, if any. The aggregate number of Common Shares and Warrants which may be issued under the Over-Allotment Option may not be greater than 16,071,428 Common Shares and 16,071,428 Warrants.

The Company intends to use the net proceeds of the Offering to advance the Company’s exploration and development activities on its Gabriella, Yitzhak and Samuel Offshore Licenses, actively continue with the Company’s 2012 exploration and development program and for general corporate purposes.

The Offering is subject to the final approval of the TSX Venture Exchange. Closing of the Offering is expected to take place on or about August 9, 2012.

The Offering is being made by way of a short form prospectus offering in the provinces of Alberta, British Columbia, and Ontario and on a private placement basis in the United States and internationally pursuant to available exemptions through the Agents and their affiliates or selling agents. The final short form prospectus relating to the Offering has been filed on SEDAR (www.sedar.com).

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities referred to herein in the United States or in any jurisdiction where such offer or sale would be unlawful. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to or for the account or benefit of a “U.S. person” (as defined in Regulation S under the U.S. Securities Act) absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act. No public offering of securities is being made in the United States.

Nothing in this announcement constitutes an offer of securities for sale in any jurisdiction where it is unlawful to do so.

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, 9 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 before making investment decisions with regard to the Company.

For more information contact:

Canada

Alan Friedman
Exec. Vice President
contact@adiraenergy.com
+1 416 250 1955

Israel

Irit Radia
Corp. Dev. Arad Communications
iritr@euroisrael.co.il
+972-3-7693333 or +972-54-6699311

Julia Maxwell

Manager, Investor Relations
info@adiraenergy.com
+1 416 361 2211

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.