

**REPORT UNDER PART 4 FILED PURSUANT TO
NATIONAL INSTRUMENT 62-103**

1. Name and address of eligible institutional investor:

Soros Fund Management LLC (“Soros”)
888 Seventh Avenue
New York, NY
10106

Quantum Partners LP (“Quantum”)
c/o Soros Fund Management LLC
888 Seventh Avenue
New York, New York
10106

2. The net increase or decrease in the number or principal amount of securities, and in the eligible institutional investor’s security holding percentage in the class of securities, since the last report filed by the eligible institutional investor under Part 4 or the early warning requirements:

This is the initial report filed by the eligible institutional investor under Part 4 or the early warning requirements.

3. The designation and number or principal amount of securities and the eligible institutional investor's security holding percentage in the class of securities at the end of the month for which the report is made:

Soros reports that Quantum, an investment fund that Soros manages, acquired 10,483,871 common shares (“Shares”) of Adira Energy Ltd. (the “Company”) on February 16, 2011 pursuant to a private placement. As at February 28, 2011, Quantum continued to hold 10,483,871 Shares, representing approximately 10.42% of all outstanding Shares of the Company.

As of the end of February 2011, neither Soros nor Quantum owned, directly or indirectly, nor exercised control or direction over, any securities of the Company other than as disclosed above.

4. The designation and number or principal amount of securities and the percentage of outstanding securities referred to in item 3 over which:

(a) The eligible institutional investor, either alone or together with any joint actors, has ownership and control:

Soros specifically disclaims any beneficial ownership of the securities of the Company reported above, but as investment manager it maintains power to exercise investment control or direction over such securities, and has the power and responsibility to vote such securities, for Quantum as the beneficial owner.

- (b) **the eligible institutional investor, either alone or together with any joint actors, has ownership but control is held by other entities other than the eligible institutional investor or any joint actors:**

None.

- (c) **the eligible institutional investor, either alone or together with any joint actors, has exclusive or shared control but does not have ownership:**

As investment manager Soros maintains power to exercise investment control or direction over the securities of the Company reported above, and has the power to vote such securities, for Quantum as the beneficial owner.

5. **The purpose of the eligible institutional investor and any joint actors in acquiring or disposing of ownership of, or control over, the securities, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer:**

The securities were acquired by Quantum for investment purposes. Quantum may from time to time, depending on market and other conditions, increase or decrease its holdings of securities of the Company.

6. **The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the eligible institutional investor, or any joint actor, and the issuer of the securities or any other entity in connection with any transaction or occurrence resulting in the change in ownership or control giving rise to the report, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities:**

Neither Soros nor Quantum has entered into any agreements with the Company, or any other entity in respect of securities of the Company.

7. **The names of any joint actors in connection with the disclosure required by this report:**

Except in respect of its investment management relationship with Quantum, Soros is not a joint actor with anyone else in connection with this report.

8. **If applicable, a description of any change in any material fact set out in a previous report by the eligible institutional investor under the early warning requirements or Part 4 in respect of the reporting issuer's securities:**

Not applicable.

9. **Reliance on Exemption**

As an “investment manager” (as defined in National Instrument 62-103) exercising discretionary authority to vote (as applicable), acquire or dispose of securities purchased on behalf of its clients, Soros is eligible to file this report pursuant to Part 4 of National Instrument 62-103. Soros does not presently intend to:

- (a) make a formal bid for any securities of the Company; or
- (b) propose a reorganization, amalgamation, merger, arrangement or similar business combination with the Company that if completed would reasonably be expected to result in Soros, either alone or together with any joint actors, possessing effective control over the Company or a successor to all or a part of the business of the Company.

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DATED at New York, New York, as of the 10th day of March, 2011.

SOROS FUND MANAGEMENT LLC

(signed) “Thomas O’Grady”

Name: Thomas O’Grady

Title: Assistant General Counsel

**QUANTUM PARTNERS LP by QP GP LLC, in
its capacity as general partner of QUANTUM
PARTNERS LP**

(signed) “Thomas O’Grady”

Name: Thomas O’Grady

Title: Attorney-in-Fact