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## News Release

### **ADIRA ENERGY RELINQUISHES ITS EITAN CBM LICENSE, ONSHORE ISRAEL**

**TORONTO, December 15, 2011 /CNW/ - ADIRA ENERGY LTD. (TSXV: ADL) (OTCBB: ADENF) (FRANKFURT: AORLB8).** Adira Energy Ltd. (“Adira” or the “Company”) announced today that it has relinquished its 100% owned, 31,000 acre Eitan License (“Eitan”) in the Hula Valley, onshore Israel.

After assessing the findings of its 1,000 meter well to evaluate the potential for field development, including the wireline coring of coal, desorption analysis for gas content and evaluation of geological parameters for commercial development, the Company submitted a report to the office of the Petroleum Commissioner of the Israeli Ministry of National Infrastructures (the “Ministry”). The conclusion of the report is that the quality of the coals that were tested are poor and would not likely lead to an economically viable project.

Adira has discussed this conclusion with the Ministry, and on that basis have recommended returning the license and coordinating with the Ministry the activities necessary for closing the project (including permanent abandonment of the well, return of the site to the landowners, and sale of drilling equipment owned by the Company).

Adira continues to concentrate its efforts on developing its Israeli off-shore licenses, “Gabriella”, “Yitzhak”, and “Samuel”.

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

Adira Energy Ltd. is an energy company which explores for oil and gas on and offshore Israel. It has four petroleum exploration licenses; the Eitan, Gabriella, Yitzhak and Samuel Licenses. These licenses are located respectively on-shore Israel in the Hula Valley, 10 km offshore between Netanya and Ashdod, 17 km offshore between Hadera and Netanya and adjacent to the coast between Ashkelon and Bat-Yam.

The Company has received two NI 51-101 compliant gross prospective resource reports related to the Gabriella (Contingent) and the Yitzhak (Prospective) licenses, prepared by Gustavson Associates and titled “Report for License #378 / Gabriella, Offshore Israel”, dated September 6, 2011 and “Report for License #380 / Yitzhak, Offshore Israel”, dated September 6, 2011, respectively.

#### **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, including those that announce proposed financings that the Company expects to complete, 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. Factors that could cause actual results to differ materially from those in forward-looking statements include the failure of investors who are believed to have committed to the financings to complete them as a result of general market conditions, adverse developments unique to such investors, or otherwise. Accordingly, the actual amounts raised may differ materially from those projected in the forward-looking statements. In addition, please note that statements relating to “resources” or “reserves” are deemed to be forward- looking statements, as they involve the implied assessment, based on certain estimated and assumptions that the resources or reserves described can be profitably produced in the future. Such statements represent the Company’s internal projections, estimated or beliefs, concerning, among other things an outlook on the estimated amounts and timing of capital expenditures, anticipated future debt levels and incentive fees or revenues or other expectation, beliefs, plans, objectives, assumption, intentions or statement about future events or performance. These statements are only predictions. 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 list of important factors is 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. 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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