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## News Release

### **ADIRA ENERGY PROVIDES UPDATE ON GABRIELLA LICENSE OFFSHORE ISRAEL**

**TORONTO, January 31, 2013 /CNW/ - ADIRA ENERGY LTD. (TSXV: ADL) (OTCBB: ADENF) (FRANKFURT: AORLB8).** As previously announced on December 24, 2012, Adira Energy Ltd. (“Adira” or the “Company”) entered into an Agreement with Modi’in Energy L.P. (“Modi’in”) and Brownstone Energy Inc. setting out, among other terms and conditions, the collateral required to place a Letter of Credit in favor of the rig contractor. The Company’s subsidiary, Adira Energy Israel Ltd. has not placed its share of the cash collateral, due to material breaches of the Agreement by Modi’in.

**Jeffrey E. Walter, Chief Executive Officer of Adira Energy** commented: “Adira is working with Modi’in to resolve these issues so that the License partners can move forward with the drilling of the Gabriella well, which is expected to begin in March 2013.”

#### **About Gabriella**

The Gabriella License is located approximately 10 kilometers northwest of Tel Aviv, in the waters offshore Israel. The block covers an area of approximately 392 square kilometers (97,000 acres) and is in water depths that range from 100 meters on the east side of the block to just over 425 meters on the southwest side of the block. Adira holds a 15% Working Interest in the Gabriella License and is the designated Operator. On March 13, 2012, the Company announced it received an independent resource report prepared by Netherland, Sewell & Associates, Inc. which included a best estimate of 110.1 MMBbl of contingent oil on the Gabriella License on a gross unrisks basis. Full resource report is available on SEDAR ([www.sedar.com](http://www.sedar.com))

#### **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. The Company also has an option on the Yam Hadera License, offshore Israel, which is located 30 kilometers offshore Israel, between Hadera and Haifa and North West of Adira’s Yitzhak license.

#### **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](http://www.sedar.com) before making investment decisions with regard to the Company.

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