

FORM 45-106F1

REPORT OF EXEMPT DISTRIBUTION

This is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution.

Issuer information

Item 1: State the full name of the issuer of the security distributed and the address and telephone number of its head office. If the issuer of the security distributed is an investment fund, state the name of the fund as the issuer, and provide the full name of the manager of the investment fund and the address and telephone number of the head office of the manager. Include the former name of the issuer if its name has changed since last report.

Adira Energy Ltd. (the “**Corporation**”)
120 Adelaide St. West
Suite 1204
Toronto, Ontario, Canada, M5H 1T1
Tel: (416) 250-1955

Item 2: State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.

The issuer is not a reporting issuer.

Item 3: Indicate the industry of the issuer by checking the appropriate box next to one of the industries listed below.

- ☐ Bio-tech
- ☐ Financial Services
 - ☐ investment companies and funds
 - ☐ mortgage investment companies
- ☐ Forestry
- ☐ Hi-tech
- ☐ Industrial

- Mining
 - ☐ exploration/development
 - ☐ production
 - ☒ Oil and gas
 - ☐ Real estate
 - ☐ Utilities
 - ☐ Other (describe)
-

Details of distribution

Item 4: Complete Schedule I to this report. Schedule I is designed to assist in completing the remainder of this report.

Please see Schedule I attached hereto.

Item 5: State the distribution date. If the report is being filed for securities distributed on more than one distribution date, state all distribution dates.

November 22, 2010

Item 6: For each security distributed:

- (a) describe the type of security;

Subscription Receipts exercisable for one Common Share and one half of one warrant

(b) state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date; and

27,500,000

(c) state the exemption(s) relied on.

Section 3.3(1) of National Instrument 45-106 (Accredited Investor) and section 73.3(2) of the Securities Act (Ontario).

Item 7: Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table, securities issued as payment for commissions or finder's fees disclosed under item 8, below.

Each jurisdiction where purchasers reside	Number of purchasers	Price per security (Canadian \$) ¹	Total dollar value raised from purchasers in the jurisdiction (Canadian \$) ¹
Ontario	29	0.40	US\$1,639,000 (CDN\$1,671,780)
Alberta	1	0.40	US\$50,000 (CDN\$51,000)
British Columbia	2	0.40	US\$40,000 (CDN\$40,800)
Other Jurisdictions	25	0.40	US\$9,271,000 (CDN\$9,456,420)
Total number of Purchasers	57		
Total dollar value of distribution in all jurisdictions (Canadian \$)			US\$11,000,000.00 (CDN\$11,220,000)

Note 1: If securities are issued at different prices list the highest and lowest price the securities were sold for.

Commissions and finder's fees

Item 8: Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a similar nature. Do not include payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

If the securities being issued as compensation are or include convertible securities, such as warrants or options, please add a footnote describing the terms of the convertible securities, including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.

Not Applicable.

¹ Based on Subscription Price of US\$0.40 per Subscription Receipt; Bank of Canada noon exchange rate on December 1, 2010 of US\$1.00 → CDN\$1.02.

Item 9: If a distribution is made in Ontario, please include the attached "Authorization of Indirect Collection of Personal Information for Distributions in Ontario". The "Authorization of Indirect Collection of Personal Information for Distributions in Ontario" is only required to be filed with the Ontario Securities Commission.

Item 10: State the name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.

Certificate

On behalf of the issuer, I certify that the statements made in this report are true.

Date: December 2, 2010.

Adira Energy Ltd.
Name of issuer (please print)

Daniel Bloch, Director, Tel: (416) 865-4739
Print name, title and telephone number of person signing

"Daniel Bloch"

Signature

IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.

Notice - Collection and use of personal information

The personal information required under this form is collected on behalf of and used by the securities regulatory authorities or, where applicable, the regulators under the authority granted in securities legislation for the purposes of the administration and enforcement of the securities legislation.

If you have any questions about the collection and use of this information, contact the securities regulatory authority or, where applicable, the regulator in the jurisdiction(s) where the form is filed, at the address(es) listed at the end of this report.

Authorization of Indirect Collection of Personal Information for Distributions in Ontario

The attached Schedule I contains personal information of purchasers and details of the distribution(s). The issuer hereby confirms that each purchaser listed in Schedule I of this report

- (a) has been notified by the issuer
 - (i) of the delivery to the Ontario Securities Commission of the information pertaining to the person as set out in Schedule I,
 - (ii) that this information is being collected indirectly by the Ontario Securities Commission under the authority granted to it in securities legislation,
 - (iii) that this information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario, and
 - (iv) of the title, business address and business telephone number of the public official in Ontario, as set out in this report, who can answer questions about the Ontario Securities Commission's indirect collection of the information, and
- (b) has authorized the indirect collection of the information by the Ontario Securities Commission.