



## **ADIRA ENERGY ANNOUNCES SIGNATURE OF BINDING LETTER OF INTENT TO FARM-IN TO CONTIGUOUS ONSHORE GAS FIELD**

**FRANKFURT: AORLB8; OTCBB: ADENF**

**TORONTO, April 21 /CNW/ - ADIRA ENERGY LTD. (OTCBB: ADENF; FRANKFURT: AORLB8).** Adira Energy Ltd. ("Adira Energy" or the "Company") is pleased to announce that it has signed a binding conditional Letter Of Intent ("LOI") with Coalbed Gas Hachula Ltd. ("CGH") an Israel-based Coalbed Methane Development company to farm-in to 70% in its "Notera" Petroleum License No. 355 ("Notera"). Notera is approximately 19,000 acres and contiguous and directly to the south of Adira Energy's Eitan Petroleum License No. 356 ("Eitan") in the Hula Valley of northern Israel. Prior drilling and evaluation of Notera indicates a similar geologic profile and hydrocarbon development potential as Eitan, which is held 100% by Adira Energy.

The parties have agreed, subject to certain conditions, to enter into an operating and development agreement, whereby Adira Energy will pay US\$200,000 to the shareholders of CGH to compensate them for previous costs incurred on the Notera block. CGH will transfer to Adira Energy a 70% Net Revenue Interest (NRI) (after Government royalty of 12.5% and a 2.5% royalty to CGH) and a 70% Working Interest (WI) in the License. Adira Energy will provide certain exploration and development science and expertise as well as to drill and complete one cored well at its sole cost, to evaluate the exploitation potential on Notera. Adira Energy will operate Notera. This agreement and working interest is completely independent of Adira Energy's wholly owned Eitan block to the north and does not affect the ownership of Eitan.

The terms of the LOI is subject to board approval of Adira Energy as well as Israeli government approval of the transfer of participation right and government approval to merge license commitments of the two licenses so that Adira Energy will not have additional obligations to maintain both Licenses in good standing.

A technical advisory committee will be formed to provide technical advice and strategic support to Adira Energy as operator and it is intended that Dr. Ilan Bruner, a director of CGH, will serve on this committee to support the combined work program. The purpose of this committee is to review technical support for the projects. Dr. Bruner is CEO of Ecolog Engineering Ltd. Ecolog is a consulting and design firm specializing in earth and engineering sciences. Ecolog provides support to governmental, municipal and private clients in diverse engineering and environmental projects in Israel, including Mekorot - Israel National Water Company; Paz Oil Company Ltd.; Israel Aircraft Industries and Israel Ministry of Defense among others. Ecolog's team consists of highly skilled individuals holding PhD degrees in geology, geophysics, hydrology and natural monopolies, and master's degrees in geology, engineering and economics.

Adira Energy will have rights of first refusal over the remaining 30% owned by CGH, and CGH will have a onetime right on certain conditions, to put its remaining 30% interest in Notera to Adira Energy within 12 months, at fair market value.

Mr. Colin Kinley, Director of Operations, Adira Energy said, "We are excited to have this opportunity to explore the potential of the Notera License, we believe that this area offers an extension of both the shallow conventional gas and deeper coal bed methane. There has been interesting prior drilling on the block that substantiates our belief in the potential for this area. We are

also most fortunate to bring on board the deep experience and skill of Dr. Ilan Bruner which will complement the existing technical team in execution of the Eitan/Notera program".

Dr. Ilan Bruner, director of CGH and CEO of Ecolog Engineering Ltd. stated: "We are elated to join up with Adira Energy to combine our technical, financial and operational abilities for the purposes of proving up the Hula gas fields. Together we control the most prospective acreage in the region. The joint venture between the two companies will significantly increase the ability to produce the potential gas that exists in the region."

About Adira Energy Ltd.

Adira Energy Ltd. explores for oil and gas in and offshore Israel. It has three petroleum exploration licenses; the Eitan, Gabriella and Yitzhak Licenses, collectively covering an aggregate total of approximately 160,500 acres. These licenses are located respectively on-shore in the Hula Valley of Northern Israel, 10 km offshore between Netanya and Ashdod and 17 km offshore between Hadera and Netanya.

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. For more information on the Company, investors should review the Company's filings, available at [www.sedar.com](http://www.sedar.com) and [www.sec.gov](http://www.sec.gov). This announcement does not constitute an offering of securities nor a solicitation to purchase securities. An offer of securities will only be made by subscription agreement and subject to applicable law.

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