



**For Immediate Release**

**TERRA FIRMA CAPITAL CORPORATION ANNOUNCES  
NEW DEVELOPMENT IN OTTAWA**

Toronto, Ontario (July 27, 2009) - Terra Firma Capital Corporation (TSX-V: "TII", "Terra Firma") is pleased to announce it has entered into a co-tenancy agreement with a local development partner to develop a new 11,500 square foot store for a national pharmacy chain in a central location of Ottawa, Ontario. Terra Firma has committed to fund approximately \$600,000 of the required equity during the construction phase. A substantial portion is expected to be returned upon completion of the project after long-term financing is in place, while maintaining a 55% ownership interest.

Allan Silber, Chairman and CEO of Terra Firma said, "We are very excited about our first development deal. The property is situated in an excellent location and will be occupied by a Triple A tenant. This deal, which provides an alternative financing solution, fits with our mandate of catering to each developer's individual needs while maintaining an appropriate level of risk. We look forward to building on this initial success in the coming months."

**About Terra Firma**

Terra Firma's principal business is investing in quality commercial and residential real estate developments throughout North America (principally concentrating in Canada) either by way of mezzanine financing arrangements or direct equity participation, but always while partnering with proven real property developers with a view to value creation. It provides customized deal structuring, expedited transaction execution, management and maintenance of credit quality and managerial relationships, all designed to provide flexibility to developers and owners.

**Forward-Looking Statements**

This press release contains forward-looking statements with respect to Terra Firma and matters concerning its business, operations, strategy and financial performance. These statements generally can be identified by use of forward looking word such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe", or "continue" or the negative thereof or similar variations. The business, operations and performance of Terra Firma discussed herein could differ materially from those expressed or implied by such statements. Such forward-looking statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations, including that the transaction contemplated herein is completed. Forward-looking statements are based on a number of assumptions which may prove to be incorrect. Additional important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, local real estate conditions, competition, changes in government regulation, dependence on tenants' financial conditions, interest rates, the availability of the equity and debt financing, environmental and tax related matters, and reliance on key personnel. The cautionary statements qualify all forward-looking statements attributed to Terra Firma and persons acting on its behalf. Unless otherwise stated, all forward looking statements speak only as of the date this press release and Terra Firma has no obligation to update such statements except as required by law.

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