



TERRA FIRMA CAPITAL CORPORATION COMPLETES LOANS TOTALLING \$13.4 MILLION

Toronto, ON, December 12, 2011 – Terra Firma Capital Corporation, TSXV:TII (“**Terra Firma**”) is pleased to announce that it has completed three loans totaling \$13.4 million. The loans were funded by Terra Firma’s own cash resources and by syndications to third party investors.

The first is a \$1.7 million construction loan on a 205 unit student housing development in Waterloo, ON. The loan has a term of 18 months and is secured by a second mortgage on the property.

The second is a \$2.5 million loan on a 5-story building on Adelaide Street West in Toronto which is currently being rezoned for condominium development. The loan has a term of 12 months and is secured by a second mortgage on the property.

The third is a \$9.2 million loan on a portfolio of five condo development projects in Toronto, of which two are on Queen Street West and three are in the Leslieville area. The loan has an 18 month term and is secured by the borrower’s interest in the properties. The development projects are expected to include over 800 residential units, which are over 80% presold and in various stages of development.

Mr. Y. Dov Meyer, Terra Firma’s President and CEO, commented: “We are very pleased with these transactions. The loans offer superior returns and the properties securing all three loans are in excellent locations. In a short period of time we have demonstrated our ability to source and underwrite a variety of attractive deals, in these cases, a land loan, a mezzanine construction loan and an equity loan. These loans are consistent with our philosophy of leveraging our capital by funding deals directly as well as from third party investors.”

About Terra Firma

Terra Firma is a full service, publicly traded real estate finance company that provides customized equity and debt solutions to the real estate industry. Our focus is to provide flexibility to property owners who may be limited by conventional bank financing and to invest in quality commercial and residential developments. Terra Firma offers a full spectrum of real estate financing under the guidance of strict corporate governance, clarity and transparency.

All of Terra Firma Capital Corporation's real estate lending activities are conducted through Terra Firma Realty Corporation, a licensed mortgage broker, license #11710.

This press release is not intended to be used or considered as an offer to sell, or a solicitation of any offer to buy, any security.

The TSXV has neither approved nor disapproved the contents of this press release. The TSXV does not accept responsibility for the adequacy or accuracy of this press release.

This Press Release contains forward-looking statements with respect to matters concerning the business, operations, strategy and financial performance of Terra Firma. These statements generally can be identified by use of forward looking word such as "may", "will", "expects", "estimates", "anticipates", "intends", "believe" or "could" or the negative thereof or similar variations. The future business, operations and performance of Terra Firma 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. Forward-looking statements are based on a number of assumptions which may prove to be incorrect. Factors that could cause actual results to differ material 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 equity and debt financing, environmental and tax related matters, and reliance on key personnel. There can be no assurances that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The cautionary statements qualify all forward-looking statements attributable to Terra Firma and persons acting on its behalf. Unless otherwise stated, all forward looking statements speak only as of the date of this Press Release and Terra Firma has no obligation to update such statements except as required by law.

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