



TERRA FIRMA SELLS THUNDER BAY PROPERTY

TORONTO, ONTARIO, December 30, 2010 - Terra Firma Capital Corporation (TSX-V: TII) ("Terra Firma") today announced that it has completed the sale of 870 Red River Road, a 19,000 square foot commercial retail income property in Thunder Bay, Ontario, to Retrocom Mid-Market Real Estate Investment Trust ("Retrocom") (TSX:RMM.UN).

The purchase price for the property was approximately \$2.7 million, subject to the usual closing adjustments. Retrocom assumed the \$1.2 million of mortgage debt on the property.

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.

Forward-Looking Statements

The statements made in this release that are not historical facts contain forward-looking information that involves risks and uncertainties. All statements, other than statements of historical facts, which address Terra Firma's expectations, should be considered as forward-looking statements. Such statements are based on knowledge of the environment in which Terra Firma currently operates, but because of the factors listed herein, as well as other factors beyond Terra Firma's control, actual results may differ materially from the expectations expressed in the forward-looking statements. Important factors that may cause actual results to differ from anticipated results include, but are not limited to, obtaining necessary approvals and other risks detailed from time to time in Terra Firma's securities and other regulatory filings.

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