



For Immediate Release

TERRA FIRMA CAPITAL CORPORATION REPORTS 2011 RESULTS REVENUE SOARS • NET INCOME GROWS SIGNIFICANTLY

TORONTO, ONTARIO, April 26, 2012 (Marketwire) -- Terra Firma Capital Corporation (TSX-V: TII) ("**Terra Firma**" or the "**Company**"), a real estate finance company, today announced that net income for the year ended December 31, 2011 increased 161% to \$287,000, or \$0.02 per basic and diluted share, from \$110,000, or \$0.01 per basic and diluted share, in the comparative period of 2010. Income from continuing operations grew to \$480,000, or \$0.03 per basic and diluted share, in 2011 from \$12,000, or \$0.00 per basic and diluted share, in 2010. Revenues grew 986% to \$1,621,000 in 2011 from \$149,000 in 2010. The Company adopted International Financial Reporting Standards ("IFRS") commencing January 1, 2011 and the comparative 2010 results have been revised to conform to IFRS. **All amounts are stated in Canadian dollars.**

The substantial growth in Terra Firma's revenues and net income in 2011 was primarily as a result of nine new mortgage and loan investments originated and funded during the year. The Company's loan portfolio increased to \$16.7 million (with a weighted average effective interest rate of 19.3%) as at December 31, 2011 versus \$2.5 million a year prior. Terra Firma also recorded revenues and earnings from its participation in the development and operation of a retail development anchored by a national pharmacy store in Ottawa, Ontario.

"We are very pleased with our 2011 results," commented Mr. Y. Dov Meyer, Terra Firma's CEO and President. "They reflect Terra Firma's increasing stature as a viable alternative real estate lender in the market, one that has the ability to arrange and participate in financings secured by both high quality investment properties and commercial and residential real estate developments undertaken by proven developers."

Terra Firma successfully completed several private placements in 2011 to enhance its liquidity position, to fund its business activity needs and for other general corporate purposes. These included increasing the Company's capital stock to \$10.7 million from \$4.6 million through the issuance of 12,595,000 shares via two private placements; and issuing \$10.1 million of 3-year, 7% convertible debentures, convertible at \$0.70 per share.

In 2011, Terra Firma also raised the syndicated portion of its loan portfolio by \$4.0 million to \$4.8 million, with a weighted average effective interest rate of 14.0% as at December 31, 2011. Subsequent to year end, in January, the syndication level was increased to \$8.9 million. The Company engages in syndication activities to provide additional funds to fuel the growth of its loan portfolio and increase the return on its net investment, while limiting its overall risk profile.

“Going forward, we plan to use our enhanced working capital to take advantage of the increased deal flow we are seeing,” concluded Mr. Meyer. “We believe we will continue to grow our revenue and earnings in 2012.”

2011 Operational Highlights:

- In January, Terra Firma announced the completion of a mezzanine loan on a development of luxury condominium townhomes being built at the corner of Bayview Avenue and the Bridle Path in Toronto. The total commitment provided by Terra Firma was \$4 million of which \$1.4 million was funded by Terra Firma’s internal cash and the balance syndicated to investors.
- In May, the Company completed a land acquisition and construction loan on a development that will contain a 29,000 square foot free-standing food store being built at the corner of Queenston Road and Nash Road North in Hamilton, Ontario. The total commitment provided by Terra Firma was \$4.6 million. Terra Firma partnered with a major institutional lender on the transaction.
- In December, Terra Firma announced the completion of three loans totaling \$13.4 million funded by the Company’s own cash resources and by syndications to third party investors. The loans included a construction loan on a 205-unit student housing development in Waterloo, Ontario; a loan on a 5-story building on Adelaide Street West in Toronto being rezoned for condominium development; and a loan on a portfolio of five condominium development projects in Toronto, of which two are on Queen Street West and three are in the Leslieville area, that are in various stages of development but over 80% pre-sold and expected to include more than 800 units.

The Company’s Management’s Discussion & Analysis and Financial Statements as at and for the year ended December 31, 2011 have been filed and are available on SEDAR (www.sedar.com).

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 arrange and provide financing with flexible terms to property owners looking to improve or add to their existing real estate assets but who may be limited by conventional bank financing, as well as to invest in quality commercial and residential developments by proven real estate developers. Terra Firma offers a full spectrum of real estate financing under the guidance of strict corporate governance, clarity and transparency. Terra Firma is managed by Counsel Asset Management, L.P., a wholly owned subsidiary of Counsel Corporation (TSX: CXS). Counsel Corporation owned approximately 20.2% of the outstanding common shares of Terra Firma as at December 31, 2011. For further information please visit Terra Firma’s website at www.terrafirmacapital.ca.

About Counsel Corporation

Counsel Corporation (TSX: CXS) is a financial services company that operates through its individually branded businesses in residential mortgage lending, distressed and surplus capital asset transactions, real estate finance and private equity investment. For further information, please visit Counsel's website at www.counselcorp.com.

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 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. 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 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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Terra Firma Capital Corporation

Statements of Operations

For the years ended December 31

(Audited)

	2011	2010
	\$	\$
Revenue		
Interest	1,352,124	149,218
Earnings from joint venture	268,840	-
	<u>1,620,964</u>	<u>149,218</u>
Expenses		
General and administrative expense	245,327	169,214
Stock based compensation	284,998	-
Interest expense	413,265	13,540
	<u>943,590</u>	<u>182,754</u>
Income (loss) before income taxes	677,374	(33,536)
Income tax provision (recovery)	197,210	(45,332)
Income from continuing operations	480,164	11,796
Income (loss) from discontinued operations	(192,842)	98,416
Net income	<u>287,322</u>	<u>110,212</u>
Basic and diluted earnings (loss) per share		
Continuing operations	0.03	(0.00)
Discontinued operations	(0.01)	0.01
	<u>0.02</u>	<u>0.01</u>
Weighted average number of common shares outstanding - basic and diluted	19,120,808	14,261,644

The notes contained in the Company's annual financial statements are an integral part of these condensed financial statements.

Terra Firma Capital Corporation
Statements of Financial Position

As at December 31

(Audited)

	December 31, 2011 \$	December 31, 2010 \$
	<u> </u>	<u> </u>
Assets		
Cash and cash equivalents	8,662,505	2,746,859
Interest and sundry receivables	752,402	60,067
Prepaid expenses and deposits	7,365	2,700
Loan and mortgage investments	16,724,774	2,499,498
Interests in joint ventures	1,073,319	832,729
Assets of discontinued operations	-	2,400
	<u>27,220,365</u>	<u>6,144,253</u>
Liabilities		
Accounts payable and accrued liabilities	682,186	662,413
Provision for discontinued operations	251,864	-
Unearned revenue	52,624	49,985
Income taxes payable	82,169	-
Deferred income taxes	10,260	-
Loans and mortgages payable	4,832,267	849,749
Debentures payable	10,061,869	-
Liabilities of discontinued operations	-	23,159
	<u>15,973,239</u>	<u>1,585,306</u>
Shareholders' equity	<u>11,247,126</u>	<u>4,558,947</u>
	<u>27,220,365</u>	<u>6,144,253</u>

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