



For Immediate Release

TERRA FIRMA CAPITAL CORPORATION ANNOUNCES NEW DEVELOPMENT IN AJAX

Toronto, Ontario (December 7, 2009) - Terra Firma Capital Corporation (TSX-V: "TII", "Terra Firma") is pleased to announce it has provided an equity loan to a development partner (the "Developer") to develop a new multi-phased residential project in Ajax, Ontario. Terra Firma, in partnership with a third-party investor, has committed to lend approximately \$1,400,000 of the funds required during the construction phase of the project, with the Developer providing the rest. Following repayment of their loan, Terra Firma and its partner will be entitled to a fee paid in priority to profits of the Developer.

Allan Silber, Chairman and CEO of Terra Firma said, "We are very excited about our first residential development loan. Our development partner is experienced in this market and the property is in a desirable location. This deal, which provides an alternative financing solution to our development partner, fits with our mandate of catering to developers' individual needs while maintaining an appropriate level of risk. We look forward to building on this success in the coming months."

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. Founded in January, 2009, our focus is to provide flexibility to property owners who may be limited by conventional bank financing while investing in quality commercial and residential developments. Terra Firma offers the full spectrum of real estate financing under the guidance of strict corporate governance, clarity and transparency.

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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