



TERRA FIRMA CAPITAL CORPORATION COMPLETES LOAN ON BRIDLE PATH DEVELOPMENT

Toronto, Ontario, January 6th, 2011 – Terra Firma Capital Corporation, TSXV:TII (“**Terra Firma**”) is pleased to announce that it has completed a mezzanine loan (the “**Loan**”) on a development to be built at the corner of Bayview Avenue and the Bridle Path in Toronto. The development, known as the “**Alexandria**”, will contain 20 luxurious condominium townhomes.

The total commitment provided by Terra Firma was \$4,000,000 of which \$1,400,000 has been funded by Terra Firma’s internal cash and the balance syndicated to investors. The term of the Loan is 27 months. It carries a fixed interest rate plus a fixed fee due to Terra Firma upon maturity or sale of the townhomes, whichever occurs sooner. The Loan is secured by a second mortgage on the property and has full recourse to the borrower and its principals.

Mr. Y. Dov Meyer, Terra Firma’s CEO and President, commented: “We are very pleased with this transaction. The development is situated in one of Toronto’s most prestigious neighborhoods. This loan follows our philosophy of investing in properties with strong locations and accomplished developers. The investment demonstrates Terra Firma’s ability to source attractive transactions, leverage our balance sheet by syndicating a portion of the deal to private investors and execute in a timely fashion.”

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.

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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