



TERRA FIRMA CAPITAL CORPORATION COMPLETES PRIVATE PLACEMENT OF 7.0% CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES

TORONTO, ONTARIO, September 27, 2011 - Terra Firma Capital Corporation (TSX-V: TII) (“**Terra Firma**” or the “**Corporation**”) is pleased to announce that it has completed, on a non-brokered basis, a private placement of convertible unsecured subordinated debentures (the “**Debentures**”) in the aggregate principal amount of \$10,050,000 (the “**Private Placement**”). The Debentures bear interest at an annual rate of 7%, payable quarterly, and mature on September 27, 2014 (the “**Maturity Date**”). At any time up to the Maturity Date, the Debentures are convertible at the option of the holder into fully paid and non-assessable common shares of the Corporation (the “**Common Shares**”) at a price of \$0.70 per Common Share (the “**Conversion Price**”). The Private Placement is subject to final approval by the TSX Venture Exchange.

The net proceeds of the Private Placement will be used to enhance Terra Firma’s liquidity position, to fund Terra Firma’s business activities and for other general corporate purposes. Messrs. Philip Reichmann and Morris Perlis, both directors of Terra Firma, have subscribed for \$150,000 and \$100,000 principal amounts of Debentures, respectively. Mr. Y. Dov Meyer, President and Chief Executive Officer of Terra Firma, has subscribed for \$150,000 principal amount of Debentures and Messrs. R. Adam Levy and Howard Wortzman, members of senior management of Terra Firma, have subscribed for \$100,000 and \$50,000 principal amounts of Debentures, respectively (Messrs. Reichmann, Perlis, Meyer, Levy and Wortzman collectively the “**Insider Subscribers**”).

No other insider of Terra Firma participated in the Private Placement and the balance of the Debentures has been placed with Canadian accredited investors. Upon full conversion of the Debentures the Insider Subscribers will own or control 2,924,381 Common Shares or 8.82% of the outstanding Common Shares.

“Terra Firma has an active and growing pipeline of opportunities”, said Y. Dov Meyer, President and CEO of Terra Firma. “The funds raised in this issue will enable the Company to realize on these opportunities and to establish Terra Firma as a premier provider of customized equity and debt solutions to the real estate industry.”

The subscription for Debentures by Insider Subscribers constitutes a “related party transaction” within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions* (“**MI 61-101**”). Terra Firma, as an issuer listed on the TSX Venture Exchange (the “**TSXV**”), is exempt from the formal valuation requirement of MI 61-101. In addition, Terra Firma has relied on an exemption to the minority shareholder approval requirements of MI 61-101 as (A) the Common Shares of Terra Firma are listed on the TSXV, (B) neither the fair market value of the Debentures to be distributed to, nor the consideration to be received by Terra Firma from the Insider Subscribers in connection with the Private Placement exceeds \$2,500,000, (C) Terra Firma has independent directors who are not employees of Terra Firma and who are not participating in the Private Placement and (D) at least two-thirds of such independent directors have approved the Private Placement.

The Debentures issuable under this Private Placement and the Common Shares issuable upon conversion of the Debentures are subject to a four-month and one day hold period pursuant to applicable securities laws and the rules of the TSXV. There is currently no public market for the Debentures and Terra Firma does not intend or undertake to list the Debentures on any public market or exchange.



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. Terra Firma is managed by Counsel Corporation (TSX: CXS). 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, primarily 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.

This press release is not an offer of securities for sale in the United States. The securities of Terra Firma referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended or the securities laws of any state. Securities of Terra Firma may not be offered or sold in the United States absent registration or an exemption from registration.

Completion of the Private Placement is subject to final approval and acceptance by the TSXV.

The TSXV has in no way passed upon the merits of the Private Placement and 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 the Private Placement and 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 completion of the Private Placement and 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, including that the Private Placement contemplated herein is completed. Forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to: the ability of Terra Firma to satisfy the requirements of the TSXV with respect to the Private Placement. 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.

For further information, please contact:

Stephen Weintraub

Phone: 416.866.3058

Fax: 416.866.3061

sweintraub@counselcorp.com