

For Immediate Release

TERRA FIRMA CAPITAL CORPORATION'S MANAGEMENT AGREEMENT TO BE TERMINATED AT END OF YEAR

TORONTO, ONTARIO, September 20, 2012 (Marketwire) -- Terra Firma Capital Corporation (TSX-V: TII) ("**Terra Firma**" or the "**Company**"), a real estate finance company, today announced that the Company's manager, Counsel Asset Management, L.P. (the "**Manager**"), a wholly owned subsidiary of Counsel Corporation (TSX: CXS) ("**Counsel**"), has given Terra Firma written notice to terminate the management agreement between the Manager and Terra Firma (the "**Management Agreement**") effective December 31, 2012. The Management Agreement provides that termination can be given by either party with 90 days written notice (the "**Notice Period**"). Counsel has also advised the Company it intends to distribute the 6,168,333 Terra Firma common shares that it owns, representing approximately 20% of Terra Firma's common shares outstanding, to Counsel's shareholders.

"Counsel has advised us its decision to terminate the management agreement is pursuant to its strategy to focus on its core operating businesses," said Y. Dov Meyer, Terra Firma's CEO and President.

"The Manager has been providing management services to Terra Firma since we launched commercial operations," Mr. Meyer said. "In the coming months, during the Notice Period, Terra Firma will evaluate various alternatives, which may include entering into a management agreement with a new sponsor or internalizing the management of the Company."

Under the Management Agreement, the services provided by the Manager include the management of Terra Firma's day-to-day operations, advice on strategic matters, as well as other general management services. Pursuant to the Management Agreement, the Manager receives an annual management fee, based on Terra Firma's shareholders' equity and debt securities as well as certain fees (depending on the nature of the fees) generated by lending activities. The termination of the management contract will have no material impact on the financial results for 2012. Management and the Board will evaluate the best course of action to replace the services of the Management Contract and its impact on Terra Firma.

The Management Agreement provides that Terra Firma is to offer employment to its President and CEO, Mr. Dov Meyer and all non-Executive individuals presently employed by the Manager who devote all or substantially all of their time to Terra Firma business, in a similar position with similar responsibilities on terms and conditions substantially similar to the terms under which such individuals were employed at the time of termination of the Management Agreement. However, Terra Firma does not have a similar obligation to offer to employ CFO Howard Wortzman or Executive Officer Allan Silber, who is CEO of Counsel, both of whom are obligated to resign upon termination of the Management Agreement.

Year to date, Terra Firma's loan and investment originations totaled \$53.3 million versus \$21.5 million for all of 2011. Its loan portfolio has increased to \$28.8 million (with a weighted average effective interest rate of 19.3%) as at June 30, 2012 versus \$16.7 million and \$3.3 million as at December 31, 2011

and June 30, 2011, respectively. Net income for the six months ended June 30, 2012 grew by 561% to \$465,000, or \$0.02 per basic and diluted share, from \$70,000, or \$0.00 per basic and diluted share in the comparative period in 2011.

“The growth of our loan portfolio reflects our increasing stature as an active non-bank real estate lender, one that has the expertise and capacity to arrange and participate in financings that are secured by high quality investment properties as well as invest in commercial and residential real estate developments undertaken by proven developers,” said Mr. Meyer.

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. For further information please visit Terra Firma’s website at www.terrafirmacapital.ca.

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 words 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 assurance 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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