

For Immediate Release**TERRA FIRMA CAPITAL CORPORATION ANNOUNCES FIRST TRANSACTION IN STRATEGIC PARTNERSHIP WITH CORONADO WEST**

All amounts are stated in Canadian dollars

TORONTO, ONTARIO, October 5, 2015 -- Terra Firma Capital Corporation (TSX-V: TII) ("**Terra Firma**" or the "**Company**"), is pleased to announce the closing of the first \$7.7 million tranche of a \$10.3 million loan to finance a land acquisition transaction in Tampa, Florida. This is the first transaction in its new strategic partnership with Coronado West, located in Phoenix, Arizona.

This unique transaction is structured to secure land "off-balance-sheet" for a large public homebuilder. Such land inventory financing is attractive for larger private and public homebuilders in the US that wish to improve their balance sheets and have more flexibility in deploying capital into future projects by financing their land holdings with third parties. Coronado West, a specialized off-balance-sheet land holding company, purchased the Tampa land for a large publically traded homebuilder, who has agreed to purchase back 100% of the lots over 30 months and has secured its obligation with a 25% deposit. Terra Firma has provided a loan to Coronado West to assist in financing the transaction.

"We are pleased with the progress we are making in expanding Terra Firma's footprint and establishing our brand in the U.S. Our pipeline of U.S. opportunities is growing almost on a daily basis. In selecting transactions in the U.S. we are not only looking for quality loans at good yields but more importantly we are seeking strategic relationships with active borrowers. This new transaction and strategic partnership is the first of many stepping stones along the way to achieving our goals," commented Y. Dov Meyer, Chief Executive Officer.

"We are very excited about the opportunity to provide financing for land transactions for the homebuilding industry in the US. Given the rapidly expanding demand in the US as credit and confidence re-enters the market, the need for specialized land financing will be growing faster than the currently available capital sources. We see this as a significant growth opportunity for our US platform," commented Glenn Watchorn, President and COO.

About Terra Firma

Terra Firma is a full service, publicly traded real estate finance company that provides real estate financings secured by investment properties and real estate developments throughout Canada and the United States. The Company focuses on arranging and providing financing with flexible terms to real estate developers and owners who require shorter-term loans to bridge a transitional period of one to five years where they require capital at various stages of development or redevelopment of a property. These loans are typically repaid with lower cost, longer-term debt obtained from other Canadian financial institutions once the applicable transitional period is over or the redevelopment is complete, or from proceeds generated from the sale of the real estate assets. 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.tfcc.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 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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