



TERRA FIRMA CAPITAL CORPORATION COMPLETES LAND ACQUISITION AND CONSTRUCTION LOAN

Toronto, ON, May 10, 2011 – Terra Firma Capital Corporation, TSXV:TII (“**Terra Firma**”) is pleased to announce that it has completed a land acquisition and construction loan (the “Loan”) on a development to be built at the corner of Queenston Road and Nash Road North in Hamilton. The development will contain a 29,000 square foot free standing food store.

The total commitment provided by Terra Firma was \$4,600,000. Terra Firma partnered with a major institutional lender on the transaction. At closing Terra Firma funded \$1,076,000 and the balance will be funded in future draws as construction proceeds. The Loan has a term of 18 months, is secured by a first 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 loan demonstrates Terra Firma’s ability to source and underwrite attractive loans, in this case a land acquisition and construction facility supporting a fully leased retail site in a strong location within a vibrant retail node with an accomplished developer. This loan is consistent with our philosophy of leveraging our balance sheet by partnering with strong institutional lenders, a key element of our business plan.”

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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