



MEDIA RELEASE

TERRA ENERGY CLOSES MINOR NON-CORE ASSET SALES

For Immediate Release

TSX: TT

CALGARY, ALBERTA - (February 8, 2016) - Terra Energy Corp. ("Terra" or the "Company") is pleased to announce that the Company has closed the sale of certain of the Company's minor non-core, P&NG assets in the Mica/Parkland area of the Province of British Columbia for approximately \$1.0 million.

Net proceeds received from the sale transactions were used to reduce the Company's bank indebtedness. The Company's credit facility has correspondingly been reduced by \$1.0 million to a \$14.7 million revolving loan, and a \$500,000 remaining development line and is subject to annual and mid-term review. The facility is payable on demand with the next annual review scheduled for May 1, 2016.

Black Spruce Merchant Capital has and continues to act as exclusive advisor to the Company in connection with all sale transactions. Terra will, as previously announced, continue to review and evaluate possible opportunities to further enhance shareholder value including the sale of additional oil and gas properties, entering into strategic alliances, mergers, restructuring or recapitalization of the Company.

Black Spruce is currently in the process of marketing the Company's brownfield gas plant and related infrastructure opportunity located in the "liquids-rich" part of the Montney trend in north east British Columbia.

Corporate Information

Terra is a junior oil and gas company engaged in the exploration for, and the development and production of, natural gas and oil in Western Canada. Terra's common shares trade on the Toronto Stock Exchange under the symbol "TT".

Reader Advisory

All amounts in Canadian dollars unless otherwise specified.

Forward-Looking Statements

This media release may contain certain statements which constitute forward-looking statements or information ("forward-looking statements"), including the use of proceeds of transaction and

the review and evaluation of opportunities to enhance shareholder value. Although Terra believes that the expectations reflected in our forward-looking statements are reasonable, our forward-looking statements have been based on expectations, factors and assumptions concerning future events which may prove to be inaccurate. As such, readers are cautioned not to place undue reliance on the forward-looking statements, as no assurance can be provided as to future results, levels of activity or achievements. The risks, uncertainties, material assumptions and other factors that could affect actual results are discussed in our Annual Information Form and other documents available at www.sedar.com. Furthermore, the forward-looking statements contained in this document are made as of the date of this document and, except as required by applicable law, Terra does not undertake any obligation to publicly update or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

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