

Terra Nova Provides Details of the Tax Free Fourth Distribution of Shares of KHD Humboldt Wedag International AG

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NEW YORK, Dec. 13, 2010 /PRNewswire/ -- Terra Nova Royalty Corporation (NYSE: TTT) (the "Company") will distribute approximately 6,257,039 shares (the "KID Shares") of KHD Humboldt Wedag International AG ("KID"), representing approximately 19.3% of the total issued KID Shares, by way of a *pro-rata* return of capital (the "Distribution") to the Company's shareholders. The Distribution will be:

- made to shareholders of record as of December 31, 2010 (the "Record Date");
- on the basis of one KID Share for every ten common shares of the Company held at the Record Date (no fractional shares will be issued and amounts will be rounded to the nearest whole number); and
- tax-free to the Company and not subject to Canadian withholding tax for shareholders.

This Distribution will complete the distribution of KID Shares by the Company to its shareholders.

The Distribution

Pursuant to the Distribution, each holder of record as of the Record Date will receive one KID Share for every ten common shares of the Company held at such date. No fractional KID Shares or interests therein will be issued and the amount of KID Shares to be distributed will be rounded to the nearest whole number.

The KID Shares can only be received in electronic form through Clearstream or Euroclear, a security depository and the principal clearing house for the Frankfurt Stock Exchange.

In order to receive their *pro rata* share of the Distribution, shareholders or their broker or nominee will be required to have a Clearstream or Euroclear eligible account. Computershare Trust Company N.A. ("Computershare") will be the distribution agent for the Distribution. Computershare has agreed to provide access to a Clearstream or Euroclear eligible custodian account for registered shareholders who are United States persons and who do not have access to a Clearstream or Euroclear eligible account. Registered shareholders who are United States persons whose KID Shares have been deposited into this account can provide instructions to Computershare in the event that they wish to transfer their KID Shares and Computershare will carry out such instructions.

Depository Trust Company and CDS Clearing and Depository Services Inc. participants and registered shareholders, who are not US Persons, will be required to provide instructions to Computershare as to the deposit of their shares in a Clearstream or Euroclear eligible account. The KID Shares of such shareholders will be retained by the Company in its own custodian's Clearstream or Euroclear eligible account until such instructions are delivered to Computershare.

The KID Shares of non-registered shareholders who own the Company's common shares through a broker or other nominee, will either be: (i) deposited into such Clearstream or Euroclear eligible account as their broker or nominee has instructed Computershare; or (ii) if no such instructions have been provided by the broker or nominee, retained by the Company. In such event, such non-registered shareholder will have to have a broker or nominee contact the Company in the event that such non-registered shareholder wishes to transfer the KID Shares. Non-registered shareholders should contact their brokerage firm for further information.

Further materials respecting the Distribution will be mailed to shareholders shortly after the record date. Such materials will include forms to be used by registered shareholders to designate a Clearstream or Euroclear eligible account for the deposit of their KID Shares. For further information respecting the Distribution please contact Computershare at:

Computershare Trust Company N.A.

PO Box 43001

Providence, Rhode Island 02940-3001 USA

Contact: Computershare Global Transaction Unit

Telephone: 1-877-624-5999 (toll free within North America) or 1-781-575-4086

Email: USAIIGlobalTransactionTeam@computershare.com

Canadian Withholding Tax

The Distribution will not be subject to Canadian withholding tax. We recommend that shareholders contact their financial

and tax advisors for guidance with respect to other potential tax consequences relating to the Distribution, including provincial, territorial or foreign tax considerations.

Ineligible Jurisdictions

Pursuant to the Distribution, KID Shares will not be distributed in any jurisdiction in which such distribution would be unlawful. Shareholders resident in such jurisdictions will have their *pro rata* entitlement liquidated by Computershare and will receive the proceeds less any applicable deductions.

About KID

The KID Shares are listed on the Frankfurt Stock Exchange under the symbol "KWG". The KID Shares are exempt from registration in the United States under Rule 12g3-2 under the Securities Exchange Act of 1934. As such, KID will publish in English, on its website at www.KHD.com, information made public pursuant to the applicable securities laws of Germany and the requirements of the Frankfurt Stock Exchange, which currently includes annual financial statements for the fiscal year ended December 31, 2009 and interim financial information for the quarters ended March 31 and June 30, 2010. In addition, for further information respecting KID please refer to KID's website and the Company's Management Information Circular dated March 1, 2010, which includes an information statement respecting KID, its business and operations and which is available under the Company's profile on www.sedar.com and was filed with the United States Securities and Exchange Commission on Form 6-K on March 3, 2010.

About Terra Nova Royalty Corporation

Terra Nova Royalty Corporation is active in a broad spectrum of activities related to the integrated combination of natural resources, including royalty, trading, financing and proprietary investing. To obtain further information on the Company, please visit our website at: <http://www.terranovalroyalty.com>.

Disclaimer for Forward-Looking Information

This document contains statements which are, or may be deemed to be, "forward-looking statements" which are prospective in nature. Forward-looking statements are not based on historical facts, but rather on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Important factors that could cause actual results, performance or achievements of the Company to differ materially from the expectations of the Company include, among other things, general business and economic conditions globally, commodity price volatility, industry trends, competition, changes in government and other regulation, including in relation to the environment, health and safety and taxation, labor relations and work stoppages, changes in political and economic stability, the failure to meet certain conditions of the offer and/or the failure to obtain the required approvals or clearances from regulatory and other agencies and bodies on a timely basis or at all, the inability to successfully integrate the operations and programs of businesses and/or companies acquired with those of the Company, incurring and/or experiencing unanticipated costs and/or delays or difficulties relating to integration of acquired businesses, disruptions in business operations due to reorganization activities and interest rate and currency fluctuations. Such forward-looking statements should therefore be construed in light of such factors. Other than in accordance with its legal or regulatory obligations, the Company is not under any obligation and the Company expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Additional information about these and other assumptions, risks and uncertainties are set out in our MD&A for the nine months ended September 30, 2010 filed with Canadian securities regulators and filed on Form 6-K with the SEC and our Form 20-F for the year ended December 31, 2009.

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