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Regulated by the Malta Financial Services Authority, Reg. No. C 56353

July 10, 2015

Terra Partners Asset Management Ltd. ("TPAM") presents its First Quarter 2015 Update to Shareholders regarding the activities of Terra Capital plc. ("TCA" or the "Fund") an AIM quoted investment trust investing globally in value opportunities, primarily in frontier markets.

*The opinions expressed in this update represent the views of TPAM, the Fund's Investment Manager, at the time of its preparation. All reasonable precautions have been taken to ensure the accuracy of the information utilized and relied upon in preparing this update and which are provided herein, and Terra believes this information to be reliable; however no representation or warranty about the accuracy of the information contained in this report is made or is to be implied. The information reported herein does not represent all of the information Terra had available, or which it relied upon, when making its initial and continuing investment decisions and therefore this update will necessarily be incomplete and/or condensed. Terra reserves the right to amend this report and its opinions at any time. Note that investments in Emerging and Frontier markets usually suffer from liquidity problems, and are often affected by governmental interference in the free market, local politics and vagaries in commodity and currency prices; therefore, their prices can be very volatile. This means that it can be difficult to acquire and subsequently sell the shares noted in this, and prior, updates. This report is for information purposes only. It is not intended as an offer or solicitation regarding the purchase or sale of any security or investment vehicle. All solicitations or offers are on the public market of the AIM Section of the London Stock Exchange and occur solely by reference to the document titled "Tender Offer to Purchase Ordinary Shares at the Tender Price and Restructuring and Amendment to the Directors' Incentive Plan and Change of name to Terra Capital PLC and Notice of Extraordinary General Meeting" (the "Circular") as amended by resolutions passed at the January 26, 2015 EGM. Both documents are accessible on the Fund's website www.terracapitalplc.com in the "Investor Center" tab under the Documents and Announcements section of the file "AIM Rule 26". This website contains important information which may supplement, modify or differ from the information contained herein and no prospective investment decision should be considered before careful reading of the documentation found on the Fund's website. All current and prospective investors should be aware that **PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.***

To supplement this update, we advise shareholders and others that TCA previously announced that the estimated unaudited net asset value ('NAV') per share on 30 April 2015 was US\$0.981, an increase in NAV of 4.50% over the prior month.

The Fund undertakes its activities in line with its strategy to provide high absolute returns by investing in under-evaluated companies which its Investment Manager, Terra Partners Asset Management Limited, believes present significant deep value opportunities. Due to market inefficiencies, the Fund and its Investment Manager believe that frontier markets provide many such prospects.

TCA's 1st Quarter Return & Portfolio:

The Fund's NAV was 0.9394 at March 31 2015 compared to 0.9789 as of December 31 2014, resulting in a net NAV return of -4.04% for the quarter. The Fund paid out its 2014 declared dividend of 0.0372 € per share in February, representing a 4.28% dividend on TAC's December 31 2014 price of .87 per share. This resulted in a total return for the Fund's NAV of -0.24% for the first quarter.

The Fund's equity exposure increased from 81.01% at December 31 (including its commitment to Terra Argentine Fund) to 92.08% at March 31.

Europe:

The Fund's European exposure increased from 23.24% to 25.18%, making Europe the largest regional allocation. The Fund increased four current positions, trimmed one and liquidated another. Investments were increased in Italy, Serbia and Bulgaria. The Fund's holding in Switzerland was reduced and the lone holding in Greece was liquidated.

Asia:

The Fund's holdings in Asia increased from 17.93% to 19.59% on additional investments in China and Kazakhstan.

Middle East:

The Fund's exposure to the Middle East rose from 15.92% to 16.98% on further investment in Lebanon and a new position in Oman. There were no sales in this area during the quarter.

Africa:

The allocation to Africa increased from 9.08% to 11.81% on additional investments made in Tunisia and South Africa. The Fund subscribed to two rights offerings during the quarter and initiated one new position in Africa. The Fund continued to sell shares of Housing Finance (Kenya).

Americas:

Exposure to the Americas increased from 14.84% to 18.52% on both strong performance and additional investments in Panama and Peru.

Fund Details:

The following table details the Fund's holdings, changes from the prior quarter, and the local currency performance of each company's shares over the quarter.

Region	Country	Security	Shares	Market value	% of Fund	Change in Share Holdings	Price Return (local currency)	Total Return (local currency)
AFRICA	Kenya	Equity Bank	2,011,000	1,132,344	1.76%	No Change	4.00%	7.60%
	Burkina Faso	Onatel BF	84,477	1,099,229	1.71%	No Change	8.11%	8.11%
	Tunisia	One Tech Holding	248,305	993,625	1.55%	Increase	12.14%	12.14%
	Tunisia	Tunisie Leasing	84,522	947,894	1.48%	Increase	6.18%	6.18%
	Tunisia	Tunisia Leasing Rights	3,294	36,941	0.06%	New		
	South Africa	Onelogix Group	2,281,292	939,406	1.46%	Increase	-11.50%	-10.09%
	Tunisia	ARTES	246,934	900,025	1.40%	No Change	-10.63%	-10.63%
	South Africa	Holdsport	202,501	814,027	1.27%	Increase	3.63%	3.63%
	Uganda	Umeme	2,940,000	488,188	0.76%	New	-2.18%	-2.18%
	Kenya	Housing Finance Kenya	9,950	4,013	0.01%	Decrease	-6.94%	-6.94%
	Kenya	Housing Finance Rights	563,025	227,100	0.35%	New		
				7,582,793	11.81%			
AMERICAS	Argentina	IRSA	145,630	2,870,367	4.47%	No Change	28.24%	28.24%
	Argentina	Terra Argentine Fund LP - Outstanding Commitment		2,040,000	3.18%	No Change		
	Jamaica	National Commercial Bank Jamaica	5,431,719	1,191,382	1.86%	No Change	36.11%	38.54%
	Panama	Copa Holdings	11,165	1,127,330	1.76%	Increase	-2.58%	-1.77%
	Jamaica	Scotia Group Jamaica	5,429,031	1,029,057	1.60%	No Change	8.75%	10.74%
	Peru	Ferreycorp	2,150,387	979,185	1.53%	Increase	-12.96%	-12.96%
	Peru	Refineria La Pampilla	17,808,102	948,922	1.48%	Increase	-21.43%	-21.43%
	Argentina	Terra Argentine Fund LP - Series 2	510,000	674,789	1.05%	No Change	15.03%	15.03%
	Argentina	Terra Argentine Fund LP - Series 3	510,000	589,455	0.92%	No Change	15.03%	15.03%
	Argentina	Terra Argentine Fund LP - Series 1	340,000	440,259	0.69%	No Change	15.03%	15.03%
				11,890,746	18.52%			
ASIA	Bangladesh	Square Pharma	559,764	1,892,859	2.95%	No Change	1.78%	1.78%
	Vietnam	Imexpharm Pharmaceutical	802,158	1,723,030	2.68%	No Change	10.77%	10.77%
	Bangladesh	Brac Bank	3,592,039	1,583,535	2.47%	No Change	-7.80%	-2.42%
	China	Qingling Motors	3,771,600	1,421,939	2.21%	Increase	10.12%	10.12%
	Vietnam	Hung Vuong	1,115,188	1,065,779	1.66%	Increase	-2.30%	2.44%
	Australia	Ardent Leisure Group	554,606	946,397	1.47%	No Change	-23.29%	-23.29%

	Georgia	Bank of Georgia Holdings	31,280	805,541	1.25%	No Change	-16.43%	-16.43%
	Kazakhstan	Kcell	71,344	667,066	1.04%	Increase	-6.97%	-6.97%
	Korea	Kumho Petro Chemical Preferred	17,850	643,423	1.00%	No Change	-0.12%	-0.12%
	Korea	Lotte Chilsung beverage Preferred	749	550,770	0.86%	No Change	17.58%	17.58%
	Korea	Hyundai Motor Preferred	4,880	488,136	0.76%	No Change	-12.25%	-12.25%
	Korea	Shinyoung Securities	8,370	475,187	0.74%	No Change	11.50%	11.50%
	Vietnam	Hau Giang Pharmaceutical	75,853	314,954	0.49%	No Change	-6.77%	-6.77%
				12,578,619		19.59%		
EUROPE	Hungary	Any Security Printing	553,679	1,897,921	2.96%	No Change	9.09%	9.09%
	Serbia	Galenika-Fitofarmacija	41,372	1,385,100	2.16%	No Change	12.92%	12.92%
	Germany	Vib Vermoegen	74,979	1,365,426	2.13%	No Change	19.21%	19.21%
	Portugal	Portucell	259,423	1,160,270	1.81%	No Change	35.14%	35.14%
	Italy	QF Polis	1,286	1,092,660	1.70%	Increase	7.83%	7.83%
	Montenegro	Crnogorski Telekom	222,624	1,086,586	1.69%	No Change	10.97%	10.97%
	Russia	JSC ACRON	308,792	1,080,772	1.68%	No Change	2.94%	2.94%
	Slovenia	Gorenje Velenje	175,399	998,420	1.56%	No Change	-5.59%	-5.59%
	Switzerland	U-Blox	5,569	973,201	1.52%	Decrease	23.73%	23.73%
	Macedonia	Komercijalna Banka AD Skopje	28,845	930,492	1.45%	No Change	-6.09%	-6.09%
	Ukraine	Kernel Holding	86,323	838,412	1.31%	No Change	29.62%	29.62%
	Croatia	Hrvatski Telekom	36,228	824,480	1.28%	No Change	7.75%	7.75%
	Serbia	Komercijalna Banka Serbia	32,345	591,687	0.92%	Increase	-6.91%	-6.91%
	Bulgaria	Monbat	115,000	522,871	0.81%	No Change	-3.04%	-3.04%
	Russia	X5 Retail	29,846	459,628	0.72%	No Change	25.82%	25.82%
	Estonia	Silvano Fashion Group	267,000	392,420	0.61%	No Change	16.10%	16.10%
	Italy	QF BNL Portfolio IMM	597	350,973	0.55%	Increase	8.51%	8.51%
	Bulgaria	Speedy	11,712	211,976	0.33%	Increase	10.78%	10.78%
	Greece	Grivalia	0	0	0.00%	Liquidated	0.40%	3.13%
				16,163,294		25.18%		
MIDDLE EAST	Qatar	Al Khaliji Bank	273,078	1,508,225	2.35%	No Change	-8.80%	-4.26%
	Lebanon	Blom Bank	144,872	1,463,207	2.28%	No Change	-1.46%	-1.46%
	Qatar	Doha Bank	89,255	1,233,014	1.92%	No Change	-11.75%	-4.74%
	Qatar	Ale Meera	20,318	1,216,480	1.89%	No Change	9.00%	13.50%
	Oman	Oman Refreshment	175,000	1,136,275	1.77%	No Change	2.04%	6.12%
	Qatar	Gulf Warehousing Company	66,000	1,083,958	1.69%	No Change	6.03%	6.03%
	Oman	Oman Cement	720,950	883,797	1.38%	No Change	-8.88%	-3.09%
	Lebanon	Soldiere	78,918	872,044	1.36%	Increase	-4.33%	-4.33%
	Bahrain	SEEF Properties	1,313,897	676,081	1.05%	No Change	0.52%	6.22%
	Oman	Bank Sohar	670,000	416,497	0.65%	New	-9.42%	-6.49%

	Bahrain	Bahrain Commercial Facilities Company	200,000	408,466	0.64%	No Change	10.00%	16.43%
				10,898,045	16.98%			
Total Equity Holdings				59,113,496	92.08%			
Cash				4,680,675	7.29%			
FIXED INCOME	Ukraine	City of Kiev Municipal Bonds	844,000	392,905	0.61%	No Change		
HEDGING		XDE Put Dec 2015 @ 1.05		7,400	0.01%	New		
		XDE Put Dec 2015 @ 1.06		3,250	0.01%	New		
Total Fund				64,197,727				

RESPECTFULLY SUBMITTED BY:

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