Terrace Energy Corp. TSX.V: TZR

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Terrace Secures Significant Additional Acreage In Buda Limestone Formation In South Texas

Vancouver, BC March 26, 2014 – Terrace Energy Corp. (the “Company” or “Terrace”) (TSXV: TZR, OTCQX: TCRRF; Germany: 2TR) is pleased to announce it has reached an agreement to develop significant new acreage in Zavalla and Dimmit Counties on trend with recent, highly successful wells in the emerging Buda Limestone formation in South Texas.

On February 24, 2014, the Company announced it had entered into an agreement (the “Farm-in Agreement”) to acquire a 75% working interest and a 56.25% net revenue interest in several leases, that cover approximately 10,000 gross (6,700 net) mineral acres, by drilling a series of wells. The Company has now reached an agreement to develop the remaining 3,300 net mineral acres on the same terms and conditions as the Farm-in Agreement. With this agreement, the Company now has the right to test and develop the Buda Limestone over approximately 10,000 net mineral acres.

The project acreage is located in the core of the Eagle Ford

Trend in South Texas and in close proximity to a number of prolific horizontal wells drilled into the naturally fractured Buda Limestone, including the publicized Hughes Heitz 302 3H, which produced over 250,000 barrels of light sweet crude oil in its first 18 months of reported production, according to the Texas Railroad Commission. Utilizing leading edge underbalanced drilling techniques and recently available 3D seismic data, operators have reported achieving production results comparable to or exceeding Eagle Ford Shale wells in the area at significantly lower capital costs. Typical horizontal Buda wells in the area are being drilled and completed for capital costs in the range of $3.0 – $4.0 million as compared to Eagle Ford Shale wells, which typically cost in the range of $6.0 – $8.5 million.

Dave Gibbs, the Company's President and Chief Executive Officer commented: "We are pleased we were able to secure the remaining net acreage in this project on the same terms as the Farm-in Agreement previously disclosed. We are confident the Buda Limestone formation, which is also present on our 147,000 gross acre Maverick County Project, is highly prospective and will be a core focus for our Company along with the development of our STS Olmos Project and other significant Cretaceous pay intervals that are present on each of our acreage holdings. This acquisition gives us control over the project's development pace, which will be begin on or before August 1 of this year, and allows us to consider its development in partnership with strategic industry participants".

About Terrace Energy

Terrace Energy is an oil & gas development stage company that is focused on unconventional oil extraction in onshore areas of the United States with a particular focus on South Texas.

ON BEHALF OF THE BOARD OF DIRECTORS

“Dave Gibbs”

Dave Gibbs, President and Chief Executive Officer

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