Terrace Energy Corp.{TSX.V:TZR}

Terrace Energy Corp.{TSX.V:TZR} pleased the market with an over allotment of some $3 million adding to the recent $20 million raised and announced on July 23rd, for a grand total of 10,820,000 shares raising $23,019,550.

Vancouver, BC July 31, 2014 – Terrace Energy Corp. (the "Company") (TSXV: TZR) is pleased to announce that Canaccord Genuity Corp. ("Canaccord"), on behalf of a syndicate of underwriters comprising Canaccord, Cormark Securities Inc., GMP Securities L.P. and Salman Partners Inc., has completed the exercise of the underwriters' over-allotment option. The underwriters purchased an additional 1,623,000 common shares of the Company at a price of $1.85 per share for total gross proceeds of $3,002,550 under the Company's short-form prospectus dated July 17, 2014.

The underwriters received a cash commission equal to 6.5% of the gross proceeds raised.

Aggregate gross proceeds raised from the base offering of 10,820,000 common shares completed on July 23, 2014 and the over-allotment option total $23,019,550.

About Terrace Energy

Terrace Energy is an oil & gas development stage company that is focused on unconventional oil & gas extraction in onshore areas of the United States, particularly in Southern Texas.

ON BEHALF OF THE BOARD OF DIRECTORS

Dan Carriere, Chairman

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES

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