



SOLUTIONS

TSX-V: CST

Outstanding Shares: 79,687,836

For Immediate Release

CO₂ Solutions Receives \$4.7 Million from the Harper Government for Oil Sands Carbon Capture Project

Quebec City, Quebec, January 24, 2013 – CO₂ Solutions Inc. ("CO₂ Solutions" or the "Company") (TSX-V:CST), an innovator in the field of enzyme-enabled carbon capture technology, today announced that the Harper Government has made a \$4.7 million investment through the ecoENERGY Innovation Initiative to support the development of its carbon capture technology in the Alberta oil sands.

CO₂ Solutions is developing carbon capture technology for use in oil sands production, including in-situ methods such as Steam Assisted Gravity Drainage (SAGD), and bitumen upgrading. Results from the project will also support the broader application of the Company's technology in other natural gas combustion sources, such as gas-fired power plants. CO₂ Solutions' management anticipates the overall cost of the project to be \$7.5 million.

"The Harper Government is committed to supporting advanced clean energy technologies that will contribute to sustainable energy production in Canada's oil sands," stated The Honourable Joe Oliver, Canada's Minister of Natural Resources. "Carbon Capture and Storage (CCS) reduces GHG emissions from energy production and this investment demonstrates our commitment to exploring CCS and assisting the growth of Canada's innovative clean technology companies, which generate jobs, growth and long-term prosperity for Canadians."

"This project will demonstrate our technology's ability to cost-effectively address a critical environmental challenge facing the oil sands," stated Glenn Kelly, President and CEO of CO₂ Solutions. "The results from this project will also enable us to apply our technology to other large sources of natural gas combustion emissions, including the rapidly growing number of natural gas-fired power plants."

Unconventional oil production methods, such as SAGD used in the oil sands, have a somewhat higher carbon footprint than conventional oil production methods. Both industry and government are focused on ways to reduce emissions from the oil sands, with carbon capture being a key option. However, the cost of conventional carbon capture and sequestration systems is high for broad commercial deployment. CO₂ Solutions' technology lowers the cost barrier by taking advantage of a powerful naturally occurring enzyme, carbonic anhydrase which regulates CO₂ management in all living organisms. The technology can be retrofitted to existing carbon capture systems as well as installed in new emissions sources.

Additional funds for this project are being obtained through grants from Alberta's Climate Change and Emissions Corporation (CCEMC), previously announced on October 31, 2012. The balance of the project's costs will be funded by CO₂ Solutions and partnership capital from private entities.

About CO₂ Solutions Inc.

CO₂ Solutions is an innovator in the field of enzyme-enabled carbon capture and has been actively working to develop and commercialize the technology for stationary sources of carbon pollution. CO₂ Solutions' technology lowers the cost barrier to Carbon Capture, Sequestration and Utilization (CCSU), positioning it as a viable CO₂ mitigation tool, as well as enabling industry to derive profitable new products from these emissions. CO₂ Solutions has built an extensive patent portfolio covering the use of carbonic anhydrase, or analogues thereof, for the efficient post-combustion capture of carbon dioxide with low-energy aqueous solvents. Further information can be found at www.co2solutions.com

About ecoENERGY Innovation Initiative

The ecoENERGY Innovation Initiative (ecoEII) received funding in Budget 2011, the Next Phase of Canada's Economic Action Plan, for a comprehensive suite of research and development and demonstration projects. The program's objective is to support energy technology innovation to produce and use energy in a cleaner and more efficient way. This Initiative is a key component of the Government of Canada's actions to achieve real emissions reductions, while maintaining Canada's economic advantage and its ability to create jobs for Canadians. The ecoEII will also help in the search for long-term solutions to reducing and eliminating air pollutants from energy production and use. Additional program information is available at ecoenergyinnovation.nrcan.gc.ca.

CO₂ Solutions Forward-looking Statements

Certain statements in this news release may be forward-looking. These statements relate to future events or CO₂ Solutions' future economic performance and reflect the current assumptions and expectations of management. Certain unknown factors may affect the events, economic performance and results of operations described herein. CO₂ Solutions undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable law.

- 30 -

Investor Relations and Media Contacts:

TACT Intelligence-conseil (Quebec media): ou
Mathieu Lavallée
Tel : 514-947-7628
[Mlavallee@tactconseil.ca](mailto:mlavallee@tactconseil.ca)

TMX Equicom
Adam Peeler
416-815-0700, poste 225
apeeler@equicomgroup.com

CO₂ Solutions:

Thom Skinner
418-842-3456, poste 223
thom.skinner@co2solutions.com
www.co2solutions.com

Natural Resources Canada: or
Media Relations
Ottawa
613-992-4447

David Provencher
Press Secretary
Office of Canada's Minister
of Natural Resources
Ottawa
613-996-2007

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.