



TSX-V: CST

CO₂ Solutions Announces Fiscal 2016 First Quarter Results

Provides Update on projects and operations
Annual and Special Meeting results announced

Quebec City, Quebec, November 26, 2015– CO₂ Solutions Inc. (“the Corporation”) (TSX-V: CST) announced today the filing of its financial results for the first quarter ended September 30, 2015. The Corporation’s detailed financial statements and management report can be found on SEDAR at www.sedar.com. Additionally, the Corporation announced the results of its annual and special meeting of shareholders, held today.

First quarter and subsequent highlights

- **Operation and completion of 10 tons per day (“tpd”) demonstration project**
- **Additional government funding to accelerate rotating packed bed (“RPB”) technology scale-up**

The Corporation recently announced (November 10, 2015) the successful completion of its 10 tpd demonstration project at Salaberry-de-Valleyfield, Québec. Originally slated to operate at a site in Saskatchewan, CO₂ Solutions converted on an opportunity to accelerate commercialization and achieve significant cost savings in the process by operating the unit in Quebec.

The demonstration unit performed entirely in line with expectations, confirming the strong potential the Corporation’s technology represents for low-cost and environmentally friendly capture of carbon dioxide from major emitters. The data from the project will form critical input into the engineering and costing of CO₂ capture units for commercial use.

Highlights of the project were:

- Over 2,500 hours of successful operation using the Corporation’s proprietary enzyme, 1T1, with CO₂ capture consistently at design capacity;
- The largest and longest ever enzyme-based demo project built and operated under realistic conditions;
- Using hot water as an energy source, generally available in industrial settings as no-value waste heat, rather than high-cost steam, which amine-based capture technologies require, the technology’s low-energy use characteristics were confirmed, key in achieving low capture costs;
- No catalytic performance degradation was observed for the enzyme throughout the project, including the use of varying solvent formulations;
- Great robustness of the process under stress testing, which included induced events such as power failures and cold start-ups;
- Purity of the CO₂ produced meets the most stringent industry requirements for sectors such as food and beverage, with no or only minor additional processing or purification required;
- The Corporation’s enzyme-accelerated carbonate solvent produced consistent performance at the required levels for commercial operation; no solvent make-up was required and environmentally friendly operation was achieved throughout the operation with no harmful wastes produced;
- Minimal operator requirements based on autonomous overnight operation following the start-up period.
- The full results from the project are currently being analysed and independently validated by a leading international third-party engineering firm. The results, expected to be released before year end, will allow for the completion of detailed engineering and costing models for commercial units at various scales.

In June 2015 the Corporation announced a collaboration agreement with GasTran Systems (“GTS”) for the exclusive use in carbon capture of GTS’s rotary packed bed (RPB) technology. Successful initial bench scale testing at 0.5 tpd showed that inclusion of RPB equipment in the Corporation’s technology can reduce the size of capture equipment by a factor of 20, resulting in further capture cost reductions. Additionally, this will make the technology suitable for space constrained applications, opening new markets for the Corporation. On November 24th, the Corporation announced it had received additional funding from National Resources Canada’s ecoENERGY Innovation Initiative towards testing the Corporation’s RPB-based solution at larger scale at a renowned independent US based facility. Work is intended to determine design and costing parameters for commercial application of the new technology and is anticipated to commence in January 2016.

Management Commentary

“The completion of the project is a key milestone and reflects the substantial completion of our technology development activities, allowing us to accelerate commercialization efforts,” stated Evan Price, President and Chief Executive Officer of CO₂ Solutions. “The technology delivered on the high expectations in terms of capture efficiency and robustness, as anticipated. Additionally, we were able to change to unsupervised night-time operations, which bodes well for our ability to deliver full-scale commercial units that run fully autonomously. Throughout the project, we have welcomed various industrial and governmental parties at the Valleyfield site, and are now actively pursuing the conversion of commercial and partnership opportunities that have arisen from these meetings”.

Summary of financial results for the first quarter ended September 30, 2015

Revenues

The Company recorded no revenues for the quarters ended September 30, 2015 and 2014. Funds received from subsidy agreements signed with federal and provincial government agencies are not treated as revenue. Rather, these amounts are accounted for as a deduction from research and development expenses in the period the contribution is claimed and accrued.

Research and development expenses

Research and development expenses, before tax credits and government assistance, increased by \$0.5 million to \$1.1 million for the quarter ended September 30, 2015. The increase compared to the prior year reflects the work associated with the ecoENERGY project, which was started in January 2013, as well as continued work in the area of enzyme evolution and management.

Quebec provincial research and development credits accrued during the quarter were \$0.1 million.

General and administrative expenses

General and administrative expenses for the quarter came in at \$0.4 million, unchanged from the same period in the prior year.

Loss and comprehensive loss for the quarter

The Corporation recorded a loss of \$1.6 million, or \$0.01 per share, for the three-month period ended September 30, 2015, an increase of \$0.9 million, reflecting the expenses associated with the ecoEnergy project and the decrease in government subsidy received during the period related to that project.

Liquidity and Financial Position

As at September 30, 2015, the Corporation had an aggregate cash balance of \$0,9 million and positive working capital (current assets less current liabilities) of \$0,7 million.

Cash flows used in operating activities amounted to \$1.5 million, an increase of \$0.5 million over the same quarter in the prior year, attributable to an increased net loss and a net decrease in non-cash working capital items.

Results of Annual General and Special Meeting of Shareholders

At the Annual and Special Meeting of Shareholders of the Corporation, held today, November 26, 2015, in Québec, QC, shareholders approved all resolutions which were disclosed in the Corporation's Management Information Circular dated October 20, 2015 and put forth for vote.

Shareholders re-elected the following directors to the Corporation's Board of Directors: Glenn R. Kelly, Robert Manherz, Kimberly Okell, Jocelyn Proteau and Evan Price.

Shareholders voted to re-appoint PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., Chartered Professional Accountants, as auditors of the Corporation for the fiscal year ending June 30, 2016.

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.

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 operation 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.

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