



TSX-V: CST

Outstanding Shares: 79,687,836

CO₂ Solutions Completes First Alberta Oil Sands Project Milestones

Company's patented carbon capture technology exceeds operating cost reduction target

Quebec City, Quebec, August 29, 2013 – CO₂ Solutions Inc. (TSX-V: CST), an innovator in the field of enzyme-enabled carbon capture technology, today announced that it has met and exceeded the first two technical performance milestones for its Alberta Oil Sands project. The Company demonstrated its patented carbon capture technology is at least one-third less expensive than existing carbon capture technology in terms of energy consumption, and can withstand the rigors of industrial application.

The project will now proceed to the large-bench scale (0.5 tonne/day CO₂ capture) testing phase for the remainder of 2013 where the same performance metrics will be validated under flue gas conditions. Following successful large-bench validation and, according to the current schedule, the project will move to field pilot-scale (approximately 15 t/d CO₂ capture) testing in 2014.

"Today's milestone demonstrates our Government's commitment to investments that bring innovative clean technologies from concept to demonstration," said the Honourable Joe Oliver, Canada's Minister of Natural Resources. "Through programs such as the ecoENERGY Innovation Initiative, our Government is supporting innovative clean energy technologies that create jobs, generate economic opportunities and protect the environment."

"Confirming the cost-effectiveness and efficacy of our enzymatic carbon capture technology is an important step towards commercial deployment in the Oil Sands," said Evan Price, President and CEO of CO₂ Solutions. "The Company is well-positioned to move to the next stage of the technology's development."

CO₂ Capture Performance

CO₂ Solutions' enzymatic technology yielded an energy cost reduction of at least 33 per cent compared to existing carbon capture technologies when employed to capture 90 percent of the CO₂ emissions from natural gas combustion at a typical in-situ oil sands operation. Importantly, the 33 percent cost reduction was achieved without any process optimization, and further savings are expected to be achieved upon optimization and operational integration in later development phases. The project target was to demonstrate a cost reduction of 25 percent relative to existing carbon capture technologies.

Additionally, the selected solvent is not only significantly less expensive than conventionally used ones, but is also far superior from an environmental and solvent-management standpoint.

Enzyme Performance

The Company demonstrated that its patented enzyme-accelerated process could be deployed efficiently at low temperatures, allowing for a simplified process configuration in which the enzyme showed excellent activity and longevity in the solvent used.

These milestones were included in the Contribution Agreements for the Government of Canada's ecoENERGY Innovation Initiative (ecoEII) and Alberta's Climate Change and Emissions Management (CCEMC) Corporation grants funding the project.

Unconventional oil production in the Alberta Oil Sands has been the subject of recent attention due to its higher overall carbon footprint compared to conventional oil production. Both industry and government are focused on ways to reduce emissions from the Oil Sands, with carbon capture and storage (CCS) being a mitigation option of significant interest. However, the cost of conventional CCS technologies is prohibitive to broad commercial deployment.

CO₂ Solutions' innovative technology addresses this cost barrier with a biomimetic solution that takes advantage of the powerful enzyme catalyst, carbonic anhydrase, which is responsible for the efficient management of CO₂ in respiration in humans and other living organisms. The enzymatic technology enhances existing solvent-based gas scrubbing architecture to increase process efficiency and lower operating and capital costs, resulting in an efficient carbon solution for existing and new emissions sources in the Oil Sands and elsewhere.

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 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.

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