



**TSX-V: CST**

Outstanding Shares: 100,494,626

*FOR IMMEDIATE RELEASE*

## **CO<sub>2</sub> Solutions Announces Fiscal 2015 First Quarter Results**

Provides update on projects and operations

Corporation announces results of AGM

**Quebec City, Quebec, November 26, 2014**– CO<sub>2</sub> Solutions Inc. (“the Corporation”) (TSX-V: CST) announced today the filing of its financial results for the first quarter ended September 30, 2014. The Corporation’s detailed financial statements and management report can be found on [www.sedar.com](http://www.sedar.com).

### **First quarter highlights**

- The Corporation’s 10 tpd, pre-commercial carbon capture pilot project at Husky Energy’s Pikes Peak South, Saskatchewan heavy oil site is substantially on track. Detailed engineering has been completed and procurement has started. The Corporation anticipates assembly to commence in the first quarter of 2015 and commissioning to follow in the second. The results of the project are expected for the fourth quarter of 2015, following which the Corporation intends converting on commercial opportunities it has identified in a number of sectors.
- Further improving the operating effectiveness and cost efficiency of its technology, the Corporation announced the internal development of a new high-performance carbonic anhydrase enzyme. In extensive testing, the new enzyme has demonstrated longevity and catalytic performance significantly surpassing that of the best third-party enzymes used by CO<sub>2</sub> Solutions to date. Management believes that the new enzyme further strengthens the Corporation’s position as the low cost technology provider for CO<sub>2</sub> emissions mitigation and commercial reuse.
- On July 17, 2014, the Corporation completed a private placement for gross proceeds of \$3.0 million. In connection with the placement, the Corporation issued 20.2 million common shares priced at \$0.15 and 20.2 million common share purchase warrants. The warrants allow holders to purchase common shares of the Corporation at a price of \$0.25 per common share until July 3, 2017.
- The Corporation terminated its agreement with Neumann Systems, focusing its attention and resources on alternative projects.
- An Agreement was signed with the University of North Dakota Energy & Environmental Research Center (EERC), recognized as one of the world’s leading institutions in the testing, developing and commercializing of more efficient energy and environmental technologies. The program’s goal is to evaluate several CO<sub>2</sub> capture technologies that are among the most advanced systems under development, and is expected to provide additional performance benchmarking of CO<sub>2</sub> Solutions’ enzyme-accelerated process against other solvent-based processes. The testing program at EERC is supported financially in part by the U.S. Department of Energy (DOE), and provides the Corporation with direct access to its target market in the U.S., as certain results will be made available to the program consortia, which includes major energy companies and electric utilities.

“We continue to progress well towards commercialization,” stated Evan Price, CEO of CO<sub>2</sub> Solutions. “We are currently in what we would call the de-risking phase. The project with Husky and the testing with the EERC are the final two scale-up steps for our technology prior to commencing commercial operations. Additionally, we have done considerable work on fine tuning our technology to improve further on our already impressive process economics. We believe the operational expenses of our technology make a very compelling case for it to be used in a number of significant commercial applications, such as enhanced oil recovery, beverage carbonation and greenhouses.”

“One such fine tuning initiative was the development of our new enzyme, which offers a number of significant benefits. On the technology side, it delivers significantly improved performance and reduced operating costs. On the corporate side, it provides us with greater control over our supply chain, and creates additional revenue generating opportunities, such as supplying the enzyme to operators of future carbon capture installations.”

Mr. Price concluded, “We are entering an exciting phase in our development. We believe we will be bringing a technology to market with a very compelling economic case to our potential customers. Although carbon capture for mitigation purposes still is a very important element of our long-term strategy, in the short- to mid-term we are focusing our efforts on capitalizing on opportunities we have identified for the commercial reuse of CO<sub>2</sub>. For instance, potential high-volume applications such as CO<sub>2</sub>-driven enhanced oil recovery (EOR) are generally unviable using currently available carbon capture technologies. We believe our value proposition will change this, and we are looking forward to reporting on our progress in the coming quarters.”

## **Summary of financial results**

### Revenues

The Corporation recorded no revenues for the quarter ended September 30, 2014 (\$154,148 in 2013). 2013 revenues were generated from agreements undertaken during the previous fiscal years with Carbon Capture Project and Statoil to provide certain project data and reports. Revenue is recognized for these agreements when non-refundable amounts are billed as per the contracts. There were no such agreements in force in during the quarter ending September 30, 2014. Funds received from subsidy agreements signed with federal and provincial government agencies (ecoENERGY, CCEMC & IRAP) 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 \$0.2 million to \$0.7 million for the quarter ended September 30, 2014. The increases 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.

Government assistance for the quarter amounted to \$0.5 million, and includes amounts for eligible expenses claimed from federal and provincial government agencies (ecoENERGY & IRAP) for approved subsidized projects.

### 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 \$734,345, or \$0.01 per share, for the three-month period ended September 30, 2014, an increase of \$501,230 from the loss of \$233,115, or \$0.00 per share, for the same period in 2013.

### Liquidity and financial position

Cash and equivalents as at September 30, 2014 totalled \$2.1 million, compared to \$0.4 million as at June 30, 2014. The increase in the Corporation's cash balance at September 30, 2014 reflects the closing, in July 2014, of a non-brokered private placement financing for gross proceeds of \$3.0 million.

Cash flows used in operating activities amounted to \$1.0 million, an increase of \$1.0 million over the same quarter in the prior year. The increase was attributable to an increased net loss and a net decrease in non-cash working capital items.

### **Results Annual General Meeting of Shareholders**

At the Annual General Meeting of Shareholders of the Corporation, held today, November 26, 2014, in Québec, QC, shareholders approved all resolutions which were disclosed in the Corporation's Management Information Circular dated October 22, 2014 and put forth for vote.

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

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, 2015.

The Corporation today announced that it has granted, on November 26, 2014, a total of 1,037,500 stock options to certain of its directors and officers. Each stock option, governed by the stock option plan of the Corporation, allows the holder thereof to acquire one common share of the Corporation until November 26, 2019 for a price of \$0.10 per share.

### **About CO<sub>2</sub> Solutions Inc.**

CO<sub>2</sub> 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. CO<sub>2</sub> Solutions' technology lowers the cost barrier to Carbon Capture, Sequestration and Utilization (CCSU), positioning it as a viable CO<sub>2</sub> mitigation tool, as well as enabling industry to derive profitable new products from these emissions. CO<sub>2</sub> 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](http://www.co2solutions.com).

### **CO<sub>2</sub> Solutions Forward-looking Statements**

Certain statements in this news release may be forward-looking. These statements relate to future events or CO<sub>2</sub> 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. CO<sub>2</sub> 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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