



SOLUTIONS

TSX-V: CST

CO₂ Solutions Announces Commercial Agreement for Carbon Capture Unit

Project to be realized in Quebec with Resolute Forest Products and Serres Toundra

Quebec City, August 11, 2016 – CO₂ Solutions Inc. (TSX-V: CST), the leader in the field of enzyme-enabled carbon capture technology, is pleased to announce the execution of a definitive agreement with Fibrek General Partnership, a subsidiary of Resolute Forest Products Inc. (TSX: RFP) (NYSE: RFP), and Serres Toundra Inc. for the deployment of a carbon capture unit at a pulp mill in the Saint-Félicien region of Quebec (Canada) and the commercial reuse of the CO₂ in an adjacent greenhouse.

The project, budgeted at \$7.4 million, involves the capture of up to 30 tonnes- CO₂/day (tpd) from Resolute's softwood kraft pulp mill in Saint-Félicien and its transportation to Serres Toundra's neighbouring world-class vegetable greenhouse. By improving the performance of the greenhouse, while at the same time reducing the carbon emissions of the pulp mill, the reuse of the captured CO₂ will provide tangible benefits to both Resolute and Serres Toundra.

The project is specifically designed to minimize the footprint and capital cost of the carbon capture unit. The innovative design of the equipment further reduces the already low cost of CO₂ Solutions' technology and will be applicable in subsequent projects. Following a six-month demonstration period, Serres Toundra has agreed to purchase the captured CO₂ for a period of ten years thereafter. Based on the terms of the Agreement, CO₂ Solutions expects to realize revenues of approximately \$400,000 annually from the sale of captured CO₂ and associated carbon credits.

As announced on March 4, 2016, and subject to obtaining total project funding commitments, Sustainable Development Technology Canada will provide \$2.4 million towards the Project in the form of a non-refundable grant. Resolute and Serres Toundra will make in-kind contributions valued at \$0.3 million and \$0.1 million, respectively. Finally, CO₂ Solutions is awaiting responses from potential public and private partners to complete the financing for the project.

"We are very proud to achieve the significant milestone of a first commercial agreement for the use of our technology alongside first-class partners. This will enable us to demonstrate the breakthrough combination of our enzymatic carbon capture process in low cost, small footprint RPB (high-intensity gas-liquid rotating packed bed mass transfer technology) equipment," stated Evan Price, President and Chief Executive Officer of CO₂ Solutions. "The project is not only expected to provide us with a long-term revenue stream, but also provides a reference installation, which will be leveraged towards further scale-up of our technology and commercial deployments."

"We are pleased to host this innovative, first-of-its-kind project in the pulp and paper industry," stated Richard Garneau, President and Chief Executive Officer of Resolute Forest Products. "Through our participation we will reduce the carbon emissions from our Saint-Félicien mill, as well as support the scale-up of a low-cost carbon capture technology with the potential for broader deployment."

"We are excited to be working with CO₂ Solutions on this project," stated Éric Dubé, President of Serres Toundra. "We expect that, through the project, Serres Toundra will gain a lower-cost supply of CO₂ while improving the environmental performance of our operations through greater integration with the pulp mill."

Subject to the realization of certain financing steps in the coming months, CO₂ Solutions expects to complete the commissioning of the CO₂ capture unit by the end of 2017 and realize first revenues relative to the Agreement in 2018.

About Resolute Forest Products

Resolute Forest Products is a global leader in the forest products industry with a diverse range of products, including market pulp, wood products, tissue paper, newsprint and specialty papers. The company owns or operates over 40 pulp, paper, tissue paper and wood products facilities in the United States, Canada and South Korea, as well as power generation assets in Canada and in the United States. Marketing its products in close to 80 countries, Resolute has third-party certified 100% of its managed woodlands to internationally recognized sustainable forest management standards. Resolute has received regional, North American and global recognition for its leadership in corporate social responsibility and sustainable development, as well as for its business practices. Visit www.resolutefp.com for more information.

Fibrex General Partnership is a subsidiary of Resolute Forest Product Inc., which owns and operates a 356,000 tonne per year Northern bleached softwood kraft pulp (NBSK) mill in Saint-Félicien, Quebec.

About Serres Toundra Inc.

Serres Toundra Inc. is a Quebec company that has initiated a \$100M greenhouse project in the Lac-Saint-Jean region in partnership with Resolute Forest Products (<http://bit.ly/1e50sXS>). The Serres Toundra greenhouses will cover a surface area of 34 hectares by 2019, making this operation one of the largest of its kind in Canada. Serres Toundra's participation in this project is driven by the opportunity to support the development of a technology which reduces the cost of the input of CO₂ necessary for profitable vegetable yields. In this regard, Serres Toundra can replace natural gas combusted to generate heat and CO₂ with the combination of hot water and CO₂ captured from effluent gases generated by the adjacent pulp mill. In so doing, Serres Toundra enhances the economics and the environmental footprint of its operation.

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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