



CO₂ SOLUTIONS TSX-V: CST

For immediate release

Valorisation Carbone Québec Project

Making Carbon a New Economic Sector

Quebec City, April 27, 2017 – Quebec’s Minister of Sustainable Development, the Environment and Climate Change, Mr. David Heurtel, confirmed during a press conference today a \$15 million grant to CO₂ Solutions for its Valorisation Carbone Québec project (VCQ). The objective of the project is to promote the development and demonstration of tangible commercial solutions to capture and reuse CO₂ in added-value applications. Although CO₂ has a poor reputation as a greenhouse gas (GHG), it is worth remembering that it is also an essential input for many industrial processes.

Through the VCQ project, CO₂ Solutions will promote the deployment of commercial CO₂ capture and reuse plants alongside industries that emit carbon, while, more importantly, contributing to the growth of a new economic sector based on generating a value from carbon reuse.

By mobilizing various partners, policy makers, academics and industrialists within this new economic sector, the VCQ project will not only help the fight against climate change by reducing GHG emissions, but will also create opportunities for the commercial reuse of CO₂ in value-added products.

CO₂ Solutions’ Expertise

According to the International Energy Agency, in order to achieve overall GHG reduction objectives, a 14% contribution is required from carbon capture and sequestration technologies. This represents a very significant commercial opportunity for CO₂ Solutions, which is a leader in this field.

CO₂ Solutions has developed a proprietary technology that uses an industrialized form of carbonic anhydrase, an enzyme which all living organisms use to regulate their carbon cycle, to capture up to 90% of CO₂ emissions from stationary sources, directly from the industries’ smoke stacks. The technology produces pure CO₂, at low cost, while using a process that is respectful of the environment. In essence, the Corporation has developed an industrial lung.

Given CO₂ Solutions’ expertise and extensive patent portfolio, it is not surprising that the government of Quebec has chosen to entrust CO₂ Solutions with the leadership of the VCQ project, which was initiated by CO₂ Solutions.

Evan Price, President and Chief Executive Officer of CO₂ Solutions, stated, “CO₂ Solutions believes that Quebec has an important opportunity to take a global leadership position in developing this new economic sector. The implementation of the Valorisation Carbone Québec project, made possible thanks to the provincial government’s support, is a very important first step towards achieving this objective. Through its leadership, CO₂ Solutions intends to mobilize a large number of partners, and jointly help make the VCQ project the benchmark in Quebec, Canada and throughout the world in the field of carbon capture and reuse.”

About the Valorisation Carbone Québec Project (VCQ)

The main objective of the VCQ project is to develop and demonstrate concrete, commercially viable solutions to capture and derive value from CO₂ in various applications in order to reduce GHG emissions.

Under the leadership of CO₂ Solutions, the VCQ project also includes Laval University and the Quebec government. Joining the initial members are Parachem, a limited partnership jointly owned by Société Investissement Québec (49%) and Suncor Energy Inc. (51%), and Hatch Ltd., a global consulting and engineering firm specialized in the design and realization of major industrial engineering projects and services throughout the world and the supplier of engineering services to the VCQ project.

Leadership of the VCQ project is in the hands of Mr. Louis Fradette, former CTO at CO₂ Solutions, who will function as Project Director, and Mr. Robert Zappa, as Assistant Director. VCQ's governance structure relies on a steering committee, a scientific orientation committee and a liaison committee.

VCQ's activities will be carried out in two phases, a demonstration phase and a development phase. The demonstration phase includes the design, construction, installation and operation of a CO₂ capture and upgrade unit at Parachem's industrial site in Montreal. The development phase aims to design one or several CO₂ upgrade processes based on the work already initiated at various universities and public or private research centres.

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.

- 30 -

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