



AGM PRESENTATION

November 26, 2014

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Forward-looking Statements

All statements in this presentation that are other than statements of historical facts are forward-looking statements which contain our current expectations about our future results. Forward-looking statements involve numerous risks and uncertainties. We have attempted to identify any forward-looking statements by using words such as “anticipates”, “believes”, “could”, “expects”, “intends”, “may”, “should” and other similar expressions.

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2 Transition

3 EOR

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in 2015

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The unregulated tail that will wag the regulated dog

6 Summary of
2015 Objectives

7 Questions

Review of 2014

What we said

- Show positive results of large bench-scale test
- Announce oil sands partner
- Be active in the CO₂ use markets

A large green downward-pointing arrow.

> **33% savings**
in energy consumption

What we did

ACHIEVED (April 2014)

“Results from the testing are in line with the previously announced improvement of a least 33% in energy consumption compared to the existing carbon capture technologies for the capture of 90 percent of the CO₂ emissions from a typical once-through steam generator in in-situ oil sands operations.”

Review of 2014

What we said

- Show results of large bench-scale test
- **Announce oil sands partner**
- Be active in the CO₂ use markets

What we did



ACHIEVED (April 2014)

Husky Energy signs Collaboration Agreement for oil sands pilot unit.

Agreement includes commitment by Husky to consider the use of CO₂ Solutions' technology for commercial carbon capture projects.



Review of 2014

What we said

- Show results of large bench-scale test
- Announce oil sands partner
- **Be active in the CO₂ reuse markets**



What we did



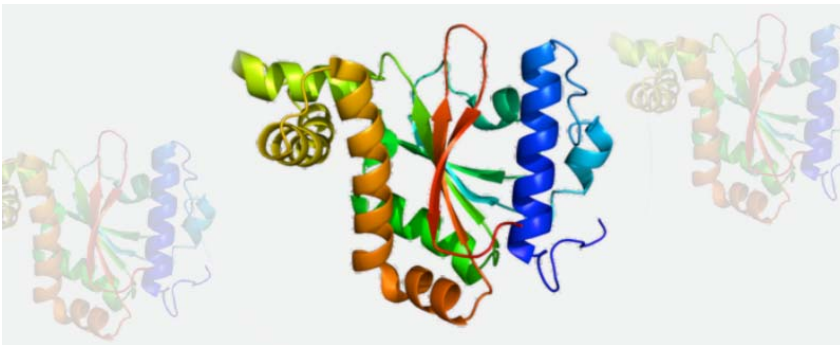
ACHIEVED

- Presence at six trade shows / conferences
- Preliminary discussions with over a dozen commercial prospects
- Active discussions in various CO₂ reuse markets
- Initiated business development in China

Review of 2014

What we said

- Show results of large bench-scale test
- Announce oil sands partner
- Be active in the CO₂ use markets
- **Other**



What we did



OTHER

- Raised \$3M in equity
- Strengthened our industry-leading IP position
 - 7 patents granted
 - 13 new patents filed
- Developed proprietary, high-performance enzyme – **1T1** – and brought it to industrial-scale production

Transition

How our strategy has moved from “**saving the planet**” to entering the **CO₂ capture** for reuse market

- We have not given up on our fundamental goal for CO₂ capture
- But regulation is presently too weak
- Additionally, CO₂ is an essential commodity for a large number of industrial processes – and a large commercial opportunity
- The low-hanging fruit = wherever emitters are also consumers of CO₂
- **This is what will sustain CO₂ Solutions until the regulated market takes hold.**

NOW – LET’S LOOK FORWARD

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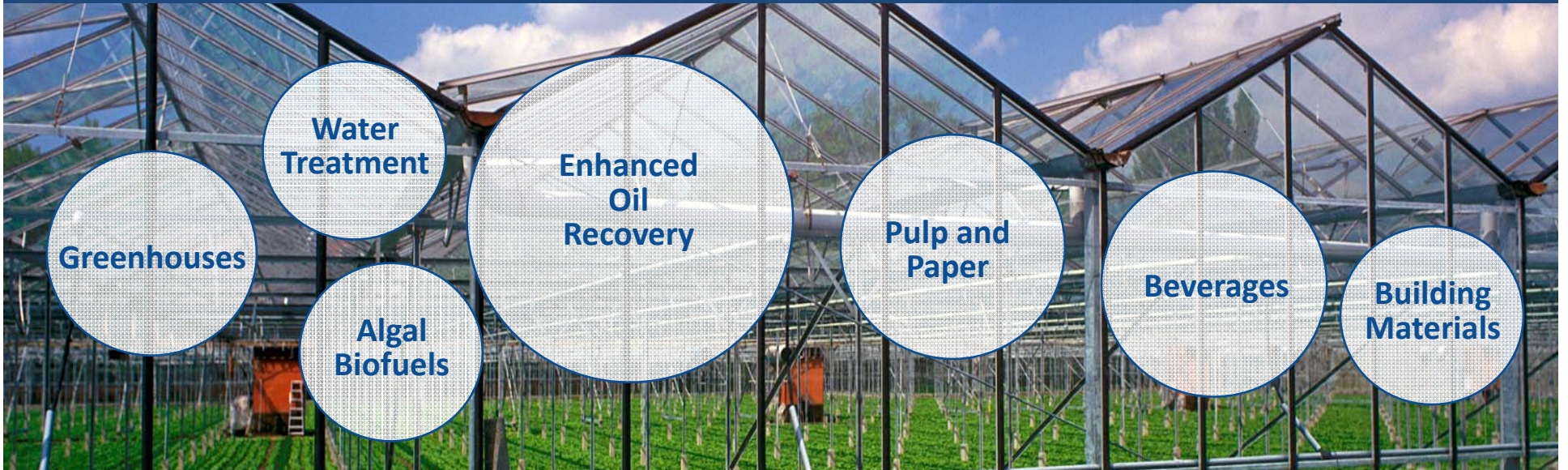
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CO₂ is an essential input for many industrial processes



Greenhouses

**Water
Treatment**

**Algal
Biofuels**

**Enhanced
Oil
Recovery**

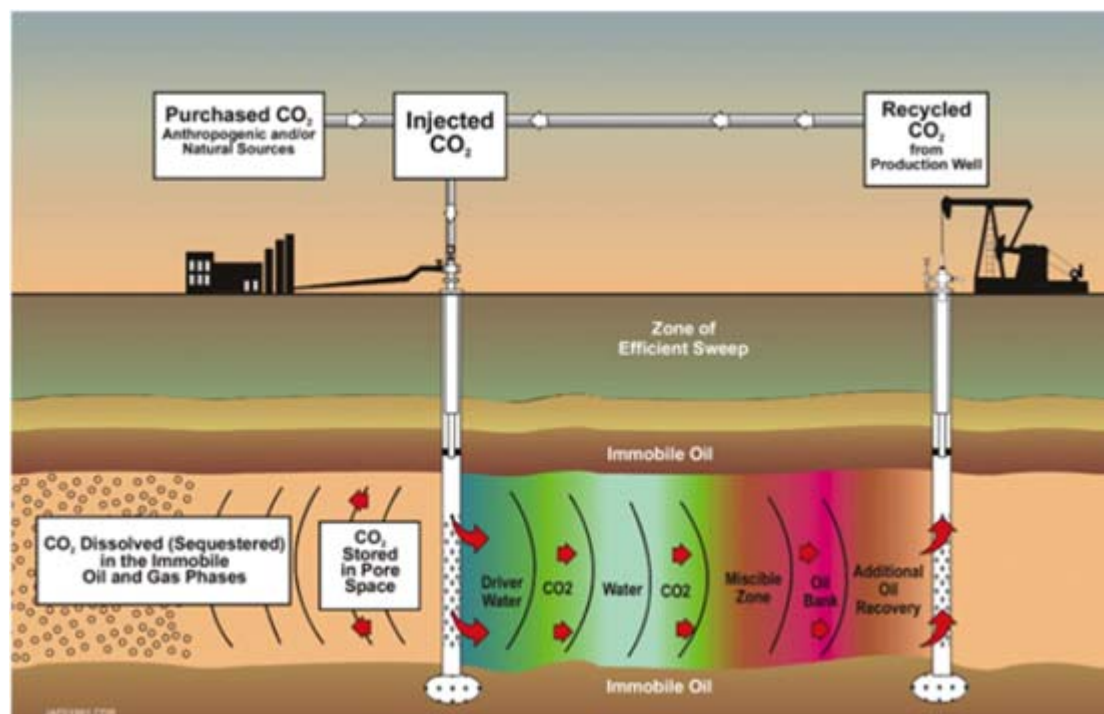
**Pulp and
Paper**

Beverages

**Building
Materials**

Unregulated markets such as Enhanced Oil Recovery (EOR) are there ...

- Pure CO₂ is injected into aging oil wells to for tertiary extraction
- 1 tonne of CO₂ injected produces 2-4 barrels of oil⁽¹⁾
- Approx. 30% of injected CO₂ remains geologically sequestered⁽²⁾
- >CDN \$1.8B addressable market in Canada and the U.S.⁽³⁾



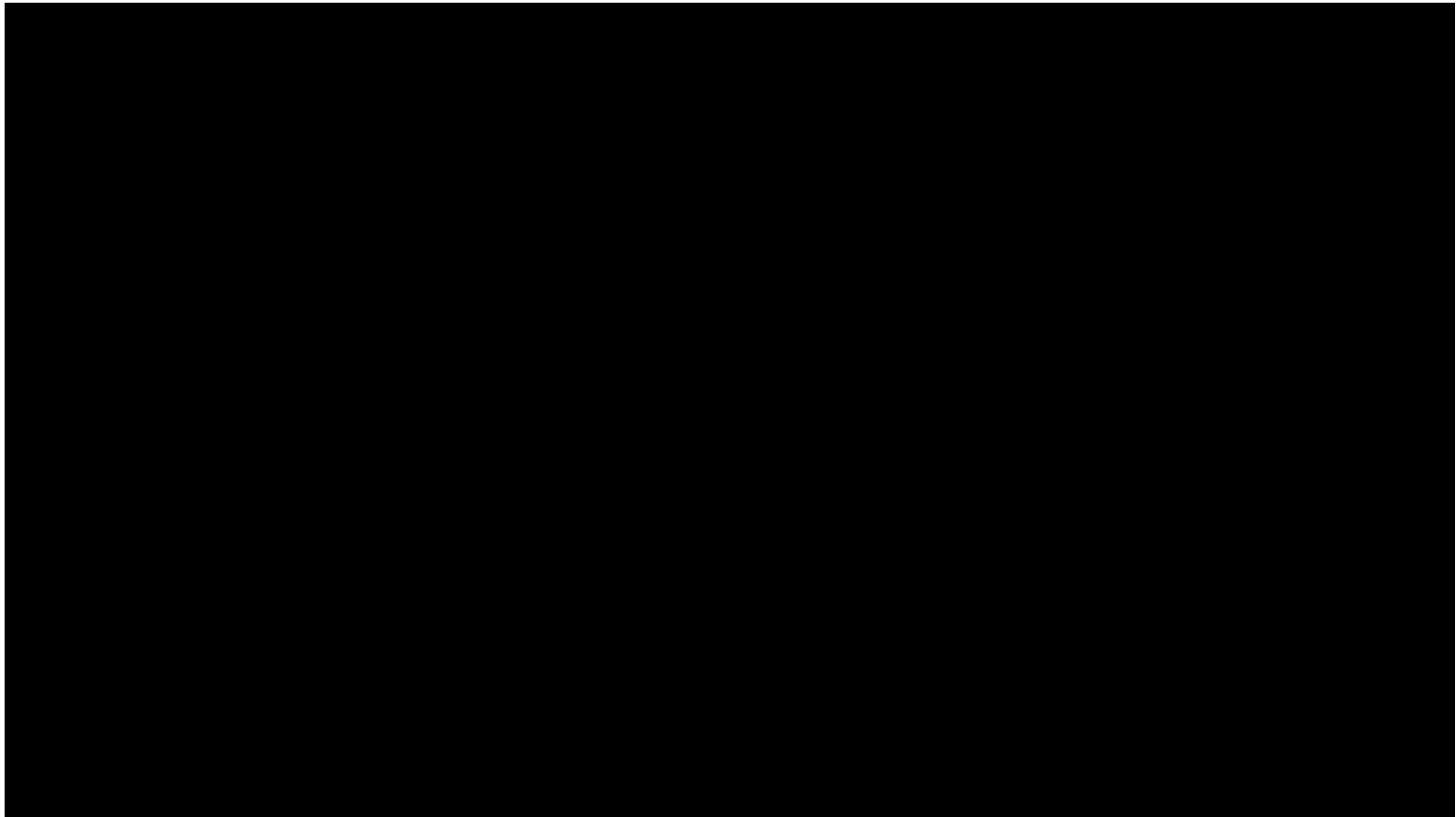
(1) U.S. Department of Energy National Energy Technology Laboratory, *Next Generation CO₂ Enhanced Oil Recovery*, February, 2014

(2) Alberta Innovates, *Barriers to CO₂ Enhanced Oil Recovery in Alberta*, October, 2013

(3) CO₂ Solutions estimate of U.S. and Canadian market based on avg. \$40/tonne-CO₂ price

Don't just take our word for it

<https://www.youtube.com/watch?v=EZJa1A6p1Wk>



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2015: THE MARCH TO COMMERCIALIZATION

De-Risking Steps - Internal

PROCESS FINE TUNING

New, proprietary enzyme species

- Superior robustness => reduces cost of enzyme input and its management
- Patent pending => provides long-term competitive advantage
- Secures the supply chain: removes dependence on third party suppliers
- Sub-contracted production at industrial scale => ensures low-cost and safe supply

New solvent and other process improvements under development

- To further enhance performance and reduce costs (OPEX and CAPEX)

New hardware/equipment options

- Are pursuing equipment solution to reduce CAPEX and plant footprint

De-Risking Steps – Further scale-up

EERC testing program: ~1 tonne per day

- CO₂ Solutions to run comprehensive testing programme at ~1.0 tpd scale with EERC
- Premier CO₂ capture testing facility in North America
- Supported by US Dept. of Energy
- Access and exposure to main players in EOR market
- Data to provide input for Husky piloting project

Husky Energy pilot: ~10 tonnes per day

- Installation and operation of ~10 tpd CO₂ capture installation with Husky
- Project engineering completed and procurement commenced
- Commercial opportunity for Husky to use technology
- Supported by \$5.2M government funding

EERC
Programme
Q4 2014

Results of EERC
Programme
Q1 2015

Install & commission
Husky pilot project
Q2 2015

Results of Husky
pilot project
Q4 2015

Monetization Steps

EOR

- Initial 150 tpd commercial CO₂ - EOR facility
- Target cost <\$50 per tonne of CO₂
- Exposure to target market through EERC programme

Beverage carbonation

- At Husky project end, an opportunity exists for equipment to be relocated for use in commercial application

Pulp & Paper / Greenhouse

- In discussions regarding opportunity to capture CO₂ from pulp mill and then reuse at nearby greenhouse

Funding to support commercial projects confirmed

Q2 2015

EOR discussions initiated

Q3 2015 onwards

Prospective beverage project install

Q4 2015

Prospective beverage project operation

Q1 2016

Business Model

Provider of CO₂ as commodity gas to industrial consumers

- Finance/build/install/operate CO₂ capture plant on the premise
- Sell captured CO₂ via take-or-pay agreement

Technology licensor

- Provide high level engineering design and customer support
- Receive royalties – one-time and/or per CO₂ volume captured
- Revenues from ongoing enzyme supply

FIRST COMMERCIAL CONTRACTS ANTICIPATED IN 2015

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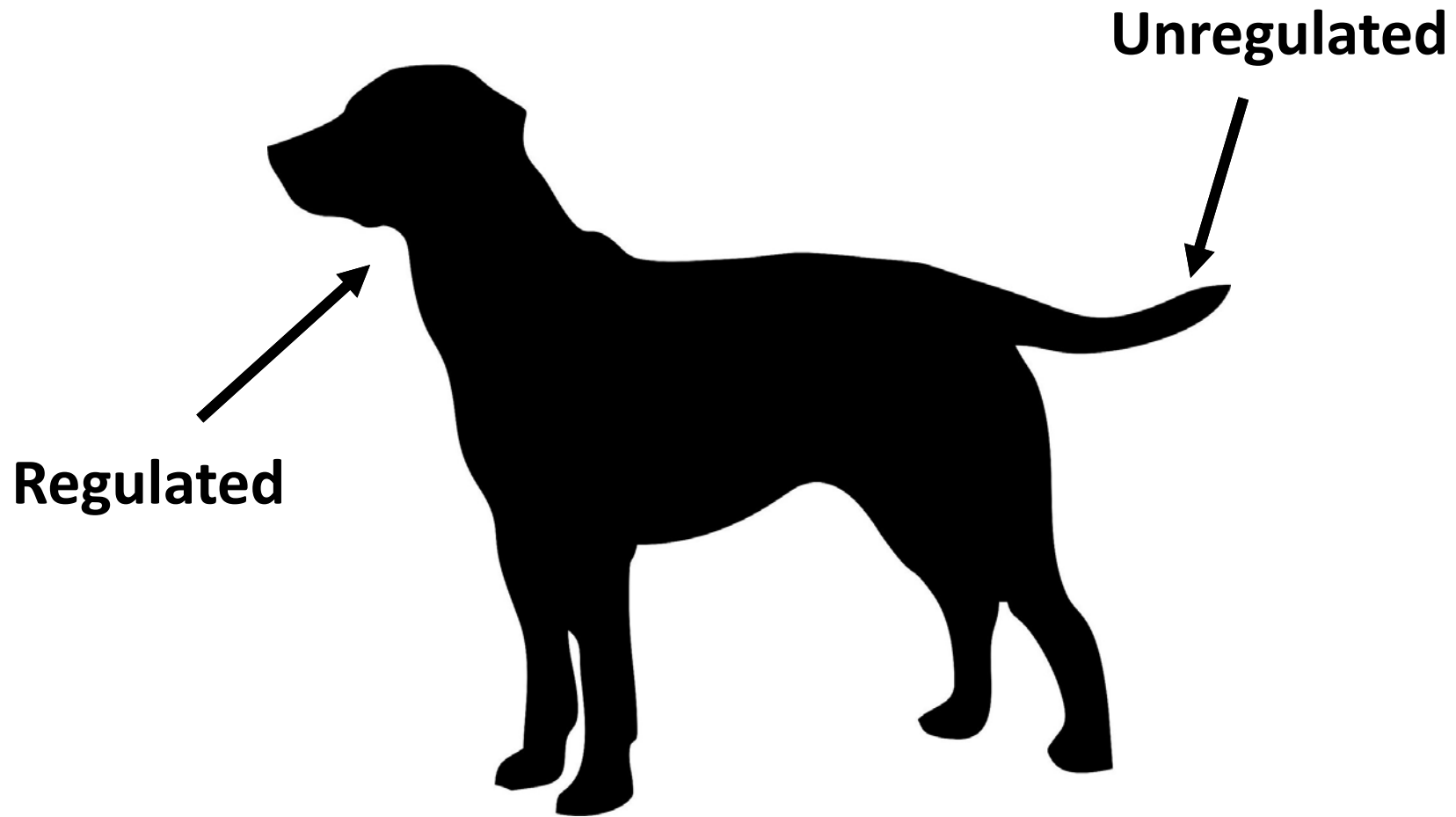
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The tail that will wag the dog



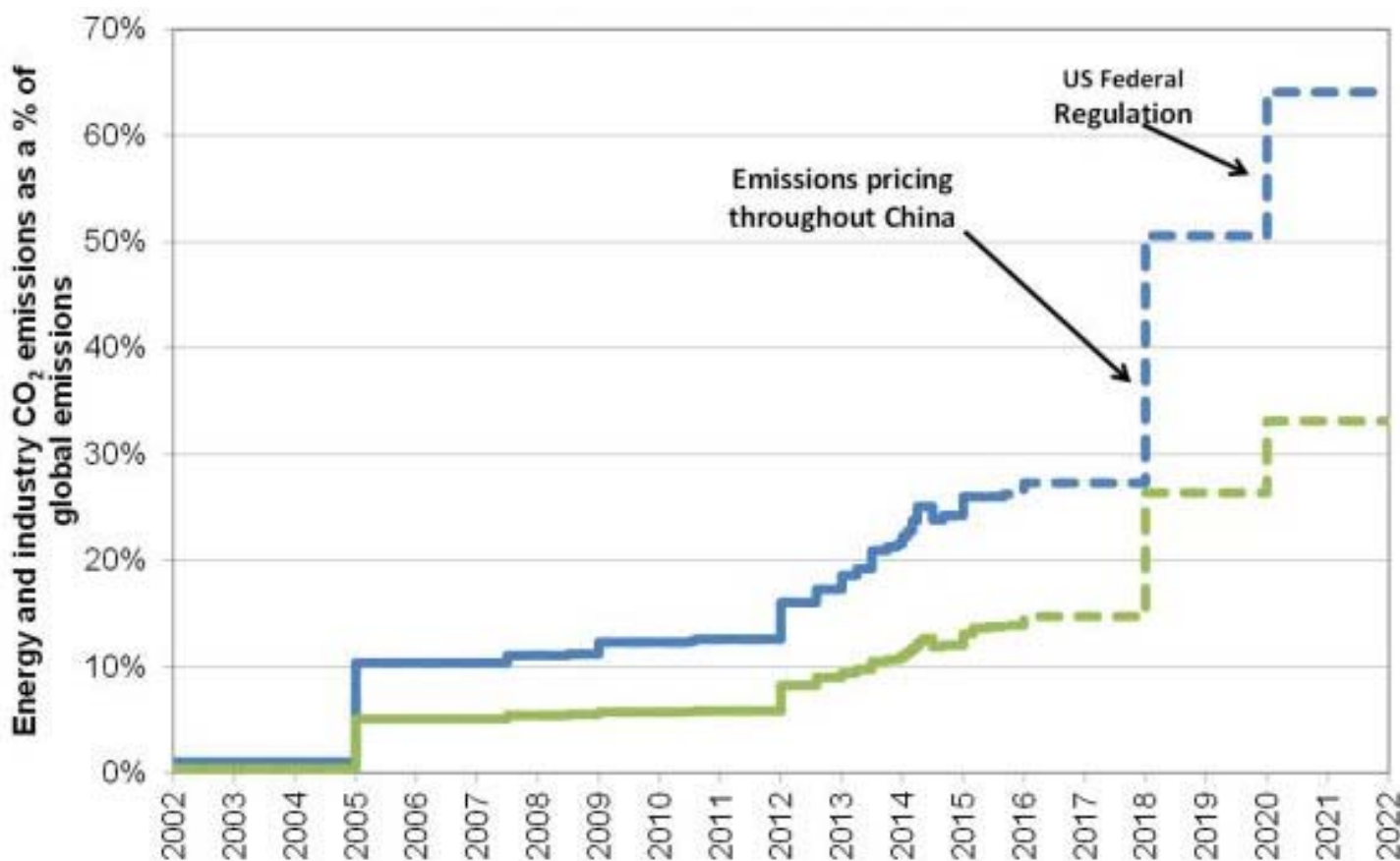
CO₂ - IT HAS A NASTY REPUTATION...

... as a significant contributor to
disruptive **climate change** ...

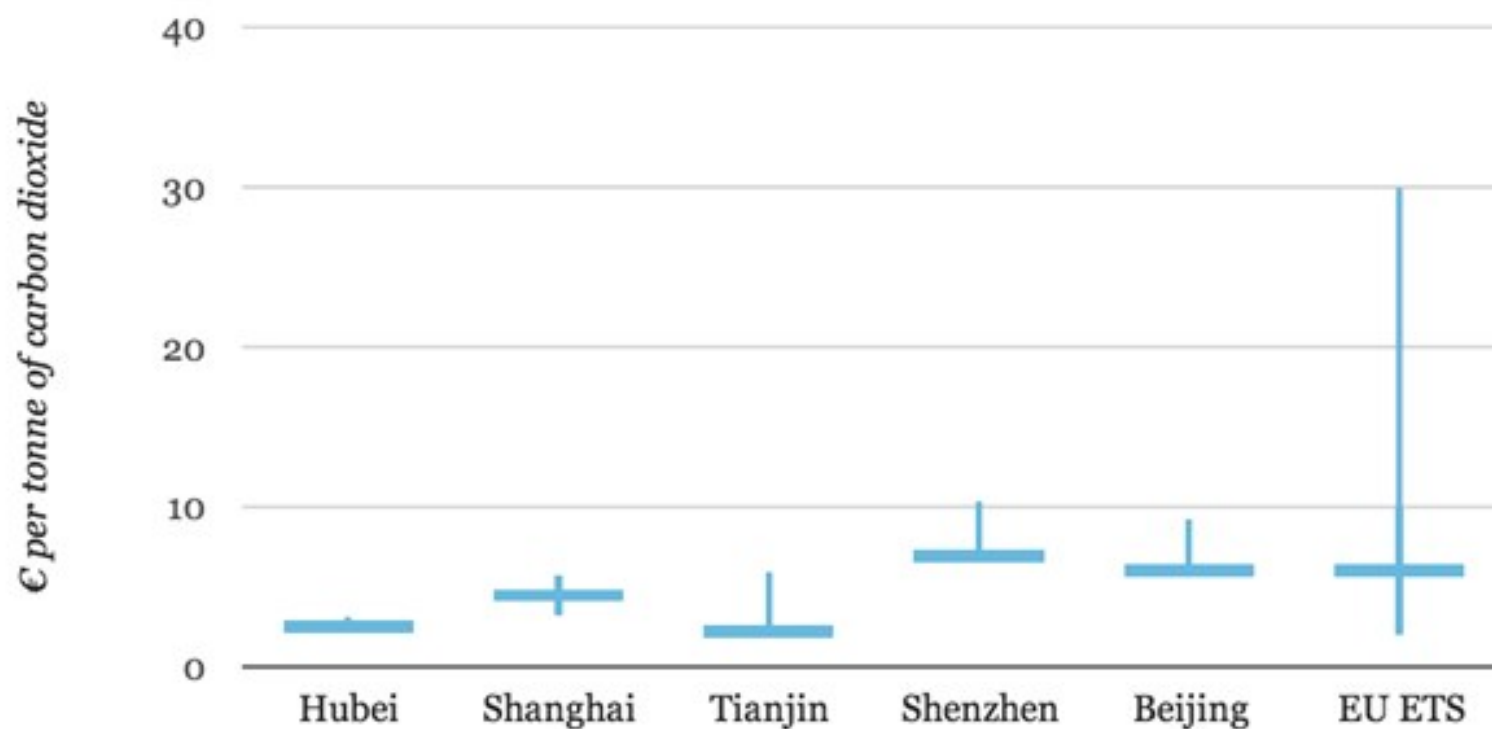


Carbon pricing coverage is increasing ...

Coverage of Carbon caps and/or Pricing



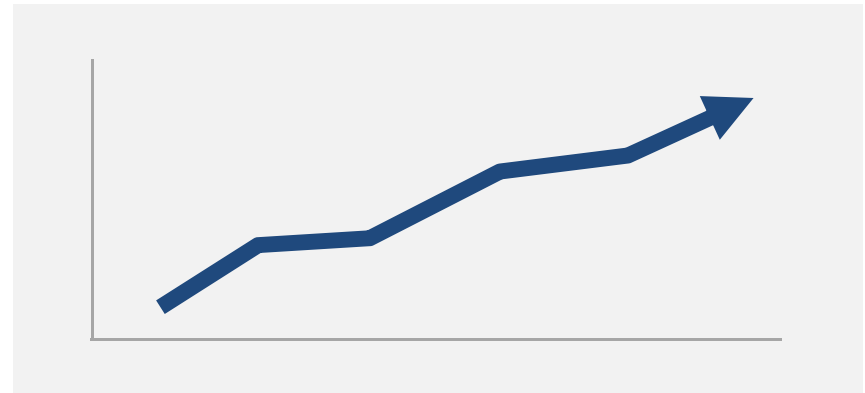
... but pricing remains low



Unregulated markets are essential to ...

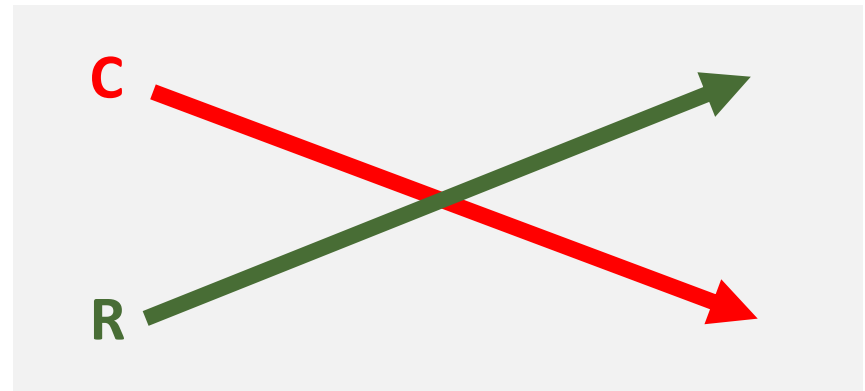
ENSURE

the continued growth and development of the company



BRING

our **costs** down further and lead to the intersection between the cost of **capture (C)** and cost of **regulation (R)**



In fact, the more we bring down costs, the more we increase the probability of meaningful regulation.



2015 = DE-RISK + MONETIZE



QUESTIONS?

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