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For Immediate Release

CO₂ Solutions to Receive \$500,000 for Alberta Oil Sands Project

Grant contribution from Climate Change and Emissions Management Corporation moves technology forward to mitigate carbon emissions from oil sands production

Quebec City, Quebec, October 31, 2012 – CO₂ Solutions Inc. (TSX-V:CST), an innovator in the field of enzyme-enabled carbon capture technology, today announced that it has been selected to receive up to \$500,000 in grant funding from Alberta's Climate Change and Emissions (CCEMC) Corporation. The funding will be applied to a 12-month project to optimize the Company's technology for the efficient capture of CO₂ emissions from oil sands production, which is the single fastest growing source of carbon emissions in Canada.

The project, budgeted at \$1.8 million, will see CO₂ Solutions' technology customized and tested in a large bench-scale pilot for the low cost capture of carbon emissions from natural gas combustion in the Alberta oil sands. The emphasis will be to apply the technology to in-situ oil extraction methods such as Steam Assisted Gravity Drainage (SAGD). The balance of the project's costs (\$1.3 million) will be funded by CO₂ Solutions and partnership capital from private and public entities. Management intends to disclose these entities when ongoing negotiations are finalized.

As a further step towards commercialization, CO₂ Solutions plans to subsequently test the technology in a larger field pilot at an oil sands facility operated by a major producer in Alberta.

Unconventional oil production from the oil sands is the subject of concern by some groups due to its higher overall carbon footprint compared to conventional oil production. As such, 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 CCS can be prohibitive to its broad commercial deployment. Due to its relatively low capital and operational costs, CO₂ Solutions' enzymatic technology is well positioned to solve this challenge.

"We are excited to embark on this project, which will highlight our technology's utility for this important market," stated Glenn Kelly, President and CEO of CO₂ Solutions. "We thank the CCEMC for its support and recognition of the potential of our technology to cost effectively solve a critical environmental challenge facing the oil sands."

Further information related to the project and CCEMC's announcement is available at www.ccemc.ca.

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.

About Climate Change and Emissions Management Corporation (CCEMC)

The CCEMC is a not-for-profit, independent Alberta organization with a mandate to expand climate change knowledge, develop new clean technologies and explore practical ways of implementing them. Program money is sourced from the Climate Change and Emissions Management Fund and made available to the CCEMC by the Government of Alberta through a grant agreement. The CCEMC offers the path to investigate emerging opportunities, explore transformative change and act decisively in pursuing conservation, energy efficiency, cleaner energy production and carbon capture and storage. The CCEMC is committed to investing in bold ideas that offer enduring solutions. Further information can be found at www.ccemc.ca.

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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