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## **CO<sub>2</sub> SOLUTIONS RECEIVES ADDITIONAL \$7.5M GRANT TO ENHANCE AND EXTEND THE VALORISATION CARBONE QUÉBEC PROJECT UNTIL 2022**

**Quebec City, March 28, 2018** – The Government of Quebec, in the 2018-2019 budget, announced yesterday a grant of \$7.5 million to CO<sub>2</sub> Solutions Inc. (“CSI” or “the Corporation”) to enable the enhancement and extension for three years of the Valorisation Carbone Québec (VCQ) Project. The objective of the VCQ Project is to accelerate the development and demonstration of commercial solutions to capture and reuse CO<sub>2</sub> in value-added applications and, in so doing, to lead the creation of a new economy based on carbon recycling while reducing greenhouse gas (GHG) emissions. The VCQ Project, managed by CO<sub>2</sub> Solutions, will continue working alongside the other two founding partners, the Quebec Government and Université Laval.

### *A successful first year-*

In its first year, the VCQ Project marked the following milestones:

- the management and scientific orientation committees overseeing the governance of the VCQ Project were put in place regrouping administrators, executives and scientists from government (Quebec Government), industry (Suncor, Total, Hatch, CO<sub>2</sub> Solutions) and academia (Université Laval, Polytechnique de Montréal);
- Total S.A., signed on as the first industrial partner to participate in the project in order to receive the techno-economic reports that will be generated from the various demonstration projects;
- additional industrial CO<sub>2</sub> utilization technology and end-use partners have been identified and discussions are being pursued along several fronts to broaden even further industry’s and academia’s participation in the VCQ Project.
- an agreement was reached with Chimie Parachem (Parachem) for use of their industrial facilities in Montreal-East as the chosen VCQ demonstration site;
- a 10-tonne per day carbon capture plant utilizing CSI’s enzymatic process in packed columns was successfully commissioned at the Parachem facilities in Montreal, QC.
- a 10-tonne rotating packed bed contactor has been ordered and is slated for delivery and demonstration in 2018;
- over 100 CO<sub>2</sub> utilization technologies from around the world were evaluated for their potential to effectively participate in the VCQ Project;
- agreements were reached with providers of CO<sub>2</sub> utilization technologies converting CO<sub>2</sub> into methanol, dimethyl ether and protein for animals;
- Hatch Ltd. committed to provide engineering and other services to realize the installation of the various capture and utilization units on the Parachem site and, upon the conclusion of the demonstrations, will generate the related techno-economic reports;
- Carbon Consult Group has agreed to join the VCQ Project as a supplier of services to quantify the reduction of GHG emissions offered by the various technologies;

Evan Price, CO<sub>2</sub> Solutions’ President and Chief Executive Officer, stated, “We salute the Quebec Government’s leadership and thank them for their continued generous support. This enhancement and three year extension of the VCQ Project is great news for the project itself and for CO<sub>2</sub> Solutions. It builds on our tremendous success in the first year of the project during which time we demonstrated our Corporation’s ability to get things done quickly and effectively. Clearly, with our partners, we are realizing one of the most ambitious carbon capture and utilization projects (CCU) in the world and this enhancement and three-year extension will make that reality even more obvious. We look forward to welcoming additional industrial partners to join CSI, Total and the other VCQ Project participants in this exciting project and making this new carbon economy a reality.”

It is expected that this enhancement and extension being funded by the Quebec Ministry of Sustainable Development, the Environment and Climate Change will enable the continuation of the VCQ Project until March 31, 2022.

#### **About the Valorisation Carbone Québec (VCQ) Project**

The objective of the VCQ Project is to develop and demonstrate commercially viable end-to-end solutions to capture and utilize CO<sub>2</sub> in various applications while at the same time reducing greenhouse gas (GHG) emissions. Under the leadership of CO<sub>2</sub> Solutions, a world-class leader in this field, the VCQ Project also includes the participation of Université Laval and the Quebec government as Founding Partners. Joining the founding partners are Parachem, a limited partnership jointly owned by Suncor Energy Inc. (51%) and Société Investissement Québec (49%), 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. The VCQ Project is headed by its Project Director, Dr Louis Fradette, former CTO at CO<sub>2</sub> Solutions. The demonstration phase of the VCQ Project includes the design, construction, installation and operation, at Parachem's industrial site in Montreal-East, QC, of a CO<sub>2</sub> capture unit using the Corporation's enzymatic process, and CO<sub>2</sub> utilization units provided by utilization partners. The development phase of the VCQ Project aims to advance one or several second-generation CO<sub>2</sub> utilization processes based on the work already initiated at various universities and public or private research centres. Including this newly announced grant, the VCQ Project is supported by a \$22.5M grant from the Québec government and monetary investments and/or in-kind contributions by the Project partners.

#### **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, Utilization and Sequestration (CCUS), 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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