



SOLUTIONS TSX-V: CST

For immediate release

CO₂ Solutions Provides Update on Valorisation Carbone Québec Project

Making Carbon a New Economic Sector - A project update

Quebec City, May 18, 2017 – On April 27, 2017, CO₂ Solutions Inc. (or the “Corporation”) (TSX-V: CST) and the Quebec Minister of Sustainable Development, the Environment and Climate Change, Mr. David Heurtel, announced the official launch of the Valorisation Carbone Québec project (VCQ) and the government’s commitment through a \$15 Million grant to support this project. Today, the Corporation provides an update on project progress.

The objective of the VCQ project is to promote the development and demonstration of commercially viable solutions to capture and reuse CO₂ in added-value applications. The project is centred on the Corporation’s industry-leading enzymatic CO₂ capture technology. By mobilizing various partners, policy makers, academics and industrialists, the VCQ project will address climate change by reducing GHG emissions, while creating opportunities and growth within this new sector of the economy for the value-added reuse of CO₂.

On May 16, the Corporation announced the formation of the VCQ Scientific Orientation Committee, an assembly of an exceptional group of reputable scientists from both the university and private sectors, with complimentary experience and skill sets to independently assess the scientific merits of the various CO₂ reuse technologies considered by the VCQ project.

The VCQ management committee is now pleased to announce the first major steps in the deployment of this ambitious program. The following purchase orders were issued this past week for:

- 1) **Move and upgrade of the CO₂ capture unit:** The 10 tpd capture unit, which CO₂ Solutions successfully demonstrated during a 2,500 hour semi-autonomous extended run, will be moved from its Valleyfield location to the new VCQ testing centre located at the Parachem facilities in Montreal. The unit, which represents a contribution by the Corporation towards the VCQ project, will also be upgraded to incorporate the Corporation’s most recent technology developments. It is anticipated that the upgraded unit will be operational by early Q3 2017.
- 2) **First CO₂ conversion technology selected:** In collaboration with the scientific committee, a technology to convert CO₂ into acetic acid, is the first technology selected to become part of the VCQ project. Acetic acid is an important industrial commodity used in the production of PTA (purified terephthalic acid), which itself is a raw material for the production of polyesters. According to Zion Market Research, a leading research firm, the global market for acetic acid is growing at a CAGR of 8.5% and is poised to surge to USD\$13.62 Billion by 2021. There are also potential market opportunities for acetic acid in the immediate vicinity of the Parachem facilities. It is anticipated that the acetic acid conversion unit will be operational by early Q4 2017.

In addition, the Corporation’s Rotating Packed Bed (RPB) equipment that was being tested at the University of North Dakota EERC centre earlier in 2016, is now being relocated to the Montreal testing site. It will be included in a second, 10 tpd small footprint capture unit, showcasing the latest development in reducing equipment size for CO₂ capture. Once commissioned, foreseen for later in the project, two capture units will be operational at the VCQ site, demonstrating the flexibility of CO₂ Solutions’ technology, and its applicability in different configurations and contexts.

Louis Fradette, VCQ Project Director, stated, “The VCQ project is positioned as the world’s leading demonstration site for CO₂ capture and reuse. We have evaluated over 100 technologies and formed a clear picture of the CO₂ reuse landscape. As we move to demonstrating certain of these technologies, the VCQ project will provide a unique and exciting opportunity for the world to witness the emergence of new

and economically viable solutions that reduce GHG emissions, while at the same time adding value by extending the carbon cycle to producing value added products. Another feature that makes the VCQ project stand out is its breathtaking speed of realization. The acetic acid process we will be demonstrating is an excellent example of what we are looking to demonstrate, consuming CO₂ while delivering a product for a large, high-growth market.”

About the Valorisation Carbone Québec Project (VCQ)

The objective of the VCQ project is to develop and demonstrate concrete, commercially viable solutions to capture and reuse CO₂ in value-added applications in order to reduce GHG emissions economically.

In addition to CO₂ Solutions in a leadership role, the VCQ project includes the following members: the Quebec government, Université Laval, Parachem, a partnership jointly owned by Suncor Energy Inc. (51%) and the Société Investissement Québec (49%), and Hatch Ltd., a global consulting and engineering firm. The VCQ project management is in the hands of Dr. 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. The VCQ project is funded through a \$15 Million grant provided by the Quebec government, and contributions, cash or in-kind, from its other members, and is currently scheduled to run until March 2019.

The activities of the VCQ project will be carried out in two phases, a demonstration phase and a development phase, run in parallel. The demonstration phase includes the design, construction, installation and operation of CO₂ capture and upgrade units at Parachem’s industrial site in Montreal. The development phase aims to accelerate one or several CO₂ reuse technologies 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.

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