



TSX-V: CST

Outstanding shares: 60,286,136

For Immediate Release

CO₂ Solution Announces Proposed Private Placement

Quebec City, QC, July 27, 2011 – CO₂ Solution Inc. (“**CO₂ Solution**” or the “**Corporation**”) is pleased to announce its intention to complete a brokered private placement for minimum gross proceeds of \$2 million (the “**Offering**”).

The Corporation intends to offer a minimum of approximately 8.7 million units at a price of \$0.23 per unit (the “**Units**”). Each Unit will be comprised of one common share and one-half warrant. Each whole warrant will entitle its holder to acquire one additional common share of the Corporation at a price of \$0.28 per common share for a period of 24 months following the closing of the Offering. The Offering will be made on a best-efforts basis by a syndicate of investment dealers composed of National Bank Financial Inc. and Mackie Research Capital Corporation (the “**Agents**”).

Proceeds of the Offering will be used by the Corporation to strengthen its financial base and provide additional working capital for continued development operations and the pursuit of other market opportunities.

The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange. All securities to be issued under the Offering will be issued pursuant to exemptions from the prospectus requirements of applicable securities laws and will be subject to a four (4) months statutory hold period from the date of closing of the Offering. The Corporation will pay the Agents an aggregate cash commission of 7% of the gross proceeds of the Offering and will issue to the Agents an aggregate number of non-transferable compensation options to acquire that number of common shares of the Corporation that is equal to 7% of the total number of Units sold, exercisable at a price of \$0.28 per common share for a period of 24 months following the closing of the Offering.

The Corporation has filed an application to obtain an advance ruling from the Ministère du Revenu du Québec in order to confirm that the Corporation is a qualified issuing corporation for the purposes of the Québec Stock Savings Plan II (“**QSSP II**”) and that the common shares forming part of the Units to be issued will be qualified shares for a QSSP II qualified mutual fund.

About CO₂ Solution

CO₂ Solution is an innovator in the field of enzyme-enabled carbon capture and has been actively working to develop and commercialize the technology for power plants and other large stationary sources of carbon pollution. In the process, CO₂ Solution 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.co2solution.com.

CO₂ Solution Forward-looking Statements

Certain statements in this news release may be forward-looking. These statements relate to future events or CO₂ Solution's 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 Solution 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.

Cautionary Statement

This news release does not constitute an offer to sell, or the solicitation of an offer to buy, in the United States the securities referenced herein. Such securities have not been and will not be registered under the United States Securities Act of 1933 (the "**U.S. Securities Act**") or applicable state securities laws and may not be offered or sold in the United States absent registration or an exemption from the registration requirement under the U.S. Securities Act and applicable state securities laws.

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