



TSX-V: CST

CO₂ Solutions Commends Ontario Government Launch of Carbon Cap and Trade Program

Successful launch with all of 2017 vintage allowances being purchased

Quebec City, April 5, 2017 – CO₂ Solutions Inc. (TSX-V: CST), the leader in the field of enzyme-enabled carbon capture technology announced today that it commends the recent actions of the Government of Ontario to implement a cap and trade system in the province to reduce carbon dioxide (CO₂) and other greenhouse gas (GHG) emissions responsible for climate change.

Ontario's cap and trade program is designed to help fight climate change and reward businesses that reduce their greenhouse gas emissions. The Ontario Ministry of the Environment and Climate Change (MOECC) held its first auction of greenhouse gas (GHG) allowances on March 22, 2017. The results of Ontario's first cap and trade auction point to a very successful first auction with all of 2017 vintage allowances being purchased.

"We are pleased to see Ontario provide evidence of its commitment in the area of climate change with the initiation of this first auction," stated Evan Price, Chief Executive Officer of CO₂ Solutions. "The success of the auction is a strong indication that industry is a committed partner in the program, and is making carbon pricing a feature of its economic project analysis. This opens up opportunities for a company such as CO₂ Solutions. Our technology promises a solution for industry to reduce emissions, at a price point below the longer term costs associated with emitting carbon. We strongly believe we are becoming a partner in both the national and the global discussion on reducing carbon emissions, and are well positioned to play an important role in helping businesses transition to a low carbon economy."

The full report, including information and results of the auction can be found at:

https://files.ontario.ca/summary_results_report_english_2017-03-31.pdf and

<https://news.ontario.ca/ene/en/2017/04/ontario-announces-results-of-first-cap-and-trade-program-auction.html>

Allowance auctions will take place on a quarterly basis. The first year of this compliance period (2017-2020) is Ontario only; Ontario intends to join California and Quebec for joint auctions and market activity in 2018. The next auction is scheduled for June 6, 2017.

In October 2016, the Government of Canada proposed its pan-Canadian approach to pricing carbon pollution. Under the new plan, all Canadian jurisdictions must have carbon pricing in place by 2018. The price on carbon set by the federal government will start at a minimum of \$10 per tonne in 2018 and rise by \$10 a year to reach \$50 per tonne in 2022. Provinces and territories have the flexibility in deciding how they implement carbon pricing: they can put a direct price on carbon pollution or they can adopt a cap-and-trade system. Ontario's entry into the cap and trade process and the related auctions is the province's response to the federal initiative.

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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