

CO₂ Solutions Announces Execution of Loan Agreement and Initial Drawdown

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Quebec City, QC, August 31, 2016 – CO₂ Solutions Inc. (“**CO₂ Solutions**” or the “**Corporation**”) (TSX V: CST) announces that it has entered into a definitive loan agreement with Dundurn Capital Partners (“**DCP**”), an affiliate of Robert Manherz, a director of the Corporation, and another arm’s length lender (collectively, the “**Lenders**”), in connection with the previously announced secured loan in the amount of up to \$500,000 (the “**Loan**”) and has received a first draw down of \$200,000 thereunder (the “**Initial Drawdown**”).

The terms of the Loan are as previously disclosed on August 12, 2016, except for the 3% commitment fee which is payable on each advance under the Loan. In connection with the Initial Drawdown, CO₂ Solutions has issued an aggregate of 1,176,470 non-transferable common shares purchase warrants (the “**Warrants**”) of CO₂ Solutions to the Lenders. Each Warrant entitles its holder to acquire one common share of CO₂ Solutions (a “**Common Share**”) at a price of \$0.17 per Common Share until August 31, 2018 subject to early expiry if the Loan is repaid within the first year following the Initial Drawdown. The Warrants, and underlying Common Shares, are subject to a four-month hold period until December 31, 2016.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, or to, or for the account or benefit of U.S. persons (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended [the “**U.S. Securities Act**”]). The securities have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to or for the account or benefit of a “U.S. person” (as defined in Regulation S under the U.S. Securities Act) unless an exemption from such registration is available.

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. Factors that could cause actual results to differ materially from such forward-looking statements include, but are not limited to, general business and economic uncertainties and adverse market conditions as well as those risks set out in the Corporation’s public documents filed on SEDAR. Readers are cautioned not to place undue reliance on such forward-looking statements. 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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