



TSX-V: CST

Outstanding Shares: 100,494,626

FOR IMMEDIATE RELEASE

CO₂ Solutions Announces Fiscal 2015 Second Quarter Results

- Projects on track
- New proprietary enzyme developed
- EERC testing completed
- Progressing towards commercialisation

Quebec City, Quebec, February 12, 2015 – CO₂ Solutions Inc. (“the Corporation”) (TSX-V: CST) announced today the filing of its financial results for the second quarter ended December 31, 2014. The Corporation’s detailed financial statements and management report will be available on www.sedar.com as of February 13, 2015.

Second quarter operational highlights

As announced earlier this month, the Corporation’s 10 tonnes per day, pre-commercial carbon capture pilot project at Husky Energy’s Pikes Peak South heavy oil site in Saskatchewan is on schedule and within budget. Construction of the capture equipment has commenced in the Montreal area and will be tested prior to being skid-mounted for transport to the project site in Saskatchewan. Installation and commissioning are anticipated early in the second calendar quarter of 2015, with operation until September, 2015.

Scheduled testing of the Corporation’s technology at the Energy & Environmental Research Center (EERC) in North Dakota, North America’s preeminent institution for the testing, development and commercialization of energy-related environmental technologies, was completed in December 2014. Results and data from the testing are presently being compiled and analyzed and detailed results from the program are anticipated to be published in the coming months. The testing at EERC provides CO₂ Solutions with direct access to its target market in the U.S., as certain results will be made available to the program consortia, which includes major energy companies and electric utilities.

In November 2014, the Corporation announced the successful development of a new and proprietary, high-performance carbonic anhydrase enzyme: 1T1. The new enzyme was used in the tests at the University of North Dakota Energy & Environmental Research Center (EERC). Further quantification and the announcement of testing results will be forthcoming in the coming months. Management also intends to use 1T1 in the Husky Energy project and believes this proprietary enzyme further cements the Corporation’s position as *the* low-cost technology provider for CO₂ capture and commercial reuse.

“We continue to progress well towards commercialization,” stated Evan Price, CEO of CO₂ Solutions. “The project with Husky Energy is moving forward, on schedule and within budget. We have made considerable advances these past quarters with the fine tuning of our technology to further improve our already impressive process economics. We believe the operational expenses of our technology make a very compelling case for it to be used in a number of significant commercial applications, such as enhanced oil recovery, beverage carbonation and greenhouses.”

Mr. Price continued, “With regards to EOR, despite falling oil prices, oil companies continue to produce, and we believe there is a clear opportunity to market our low-cost technology to operators with existing EOR infrastructure. Upon successful completion of the project with Husky, which represents the final stage in the scaling up of our technology, we believe we will be very well positioned to pursue the various commercial opportunities we have identified. We are very pleased with our progress, and are looking forward to updating the market throughout the coming quarters.”

Summary of financial results

Revenues

The Corporation recorded no revenues for the three and six month periods ended December 31, 2014 (\$0.3 million for the six-month period ended December 31, 2013). Previous year revenues were generated from agreements undertaken during the previous fiscal years to provide certain project data and reports. Revenue related to these agreements is recognized when non-refundable amounts are billed as per the contracts. There were no such agreements in force during the periods under review. Funds received from subsidy agreements signed with federal and provincial government agencies (ecoENERGY, CCEMC & IRAP) are not treated as revenue but are accounted for as a deduction from research and development expenses.

Research and development expenses

Research and development expenses, before tax credits and government assistance, increased by \$0.7 million to \$1.2 million for Q2, 2015, as compared to the same period in the prior year. This increase is attributable mainly to work associated with the ecoENERGY project and continued work related to the development of the Corporation's new 1T1 enzyme. Research and development expenses will vary based upon on-going collaborative agreements and/or projects undertaken by the Corporation. For the six-month period ended December 31, 2014, research and development expenses, before tax credits and government assistance, increased by \$0.8 million to \$1.8 million, compared to the same period in fiscal 2014, due mainly to work associated with the ecoENERGY project.

Government assistance during Q2 2015 amounted to \$1.0 million, compared to \$0.4 million in Q2 2014. Government assistance for the six-month period ended December 31, 2014 was \$1.5 million, up from \$1.1 million for the same period in the prior year. Variances between periods reflect timing and type of work completed and the level of subsidy available in each period based on projects undertaken and claims made to funding agencies.

General and administrative expenses

General and administrative expenses for the quarter came in at \$0.5 million, down slightly (\$0.03 million) from the same period in fiscal 2014.

Loss and comprehensive loss for the quarter

The Corporation recorded a loss of \$0.8 million, or \$0.01 per share, for the three-month period ended December 31, 2014, an increase of \$0.2 million from Q2 2014. For the six-month period ended December 31, 2014, the Corporation recorded a loss of \$1.5 million, or \$0.02 per share, an increase of \$0.7 million from the same period in the prior year. The increased loss reflects an increase in expenditures related to the Corporation's projects and efforts to bring its technology to commercialization.

Liquidity and financial position

As at December 31, 2014, the Corporation had cash of \$0.4 million, accounts receivable (predominantly from Canadian government agencies) of \$1.8 million, and tax credits receivable of \$0.4 million, for a total of \$2.7 million. The Corporation had short-term financial obligations from accounts payable and accrued liabilities of \$0.9 million, and current portion of long-term debt of \$0.02 million, for a total of \$0.9 million. The liquidity and maturity timing of these assets are adequate for the settlement of the Corporation's short-term (less than one year) financial obligations.

Cash flow required for operating activities amounted to \$1.6 million, compared with \$0.4 million required in the same three-month period for fiscal 2014. The increase in cash used in operating activities was due primarily to the higher loss in the three-month period and a net decrease on non-cash working capital items.

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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Investor Relations and Media Contact:

CO₂ Solutions:

Thom Skinner
418-842-3456, ext. 223
thom.skinner@co2solutions.com
www.co2solutions.com

or

TMX Equicom

Marc Lakmaaker
416-815-0700, ext. 248
mlakmaaker@tmxequicom.com

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