

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**Item 1. Name and Address of Company**

Carbon Friendly Solutions Inc. (the "Company")  
2500 – 555 W. Hastings St.  
Vancouver, B.C.  
V6B 4N5

**Item 2. Date of Material Change**

May 2, 2011

**Item 3. News Release**

The news release was disseminated through Canadian News Wire Group on May 2, 2011.

**Item 4. Summary of Material Change**

Carbon Friendly Solutions Inc. has announced developments in the ongoing negotiations between key players in the U.S. coal energy/utility markets and its subsidiary, MicroCoal Inc..

**Item 5. Full Description of Material Change**

*5.1 Full Description of Material Change*

See attached news release.

*5.2 Disclosure for Restructuring Transactions*

Not applicable

**Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable

**Item 7. Omitted Information**

Not applicable

**Item 8. Executive Officer**

Stan Lis, President and Director



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(signature)

**Item 9. Date of Report**

May 2, 2011



**FOR IMMEDIATE RELEASE**

Contact Investor Relations

Phone: 604-676-9792

**MicroCoal Conducting Selection Process for U.S. Utility  
for first Commercial Implementation of its Technology**

**Vancouver, B.C., Canada – May 2<sup>nd</sup>, 2011**

**Carbon Friendly Solutions Inc. (CNSX: CFQ) (“CFS”)** is pleased to announce developments in the ongoing negotiations between key players in the U.S. coal energy/utility markets and its subsidiary, **MicroCoal Inc. (“MCI”)**. **MicroCoal** has demonstrated its commitment to the technology and its rapid development in distinguished markets by engaging in economic feasibility studies with large U.S. utilities. This announcement follows **MicroCoal’s** recent achievement in awarding a patent for the applicable use of its technology in Australia, adding to the long list of territories where **MCI** has already been awarded patents (including Russia, Eurasia, Indonesia, South Africa and New Zealand). **MCI** is currently in the process of examining its patents in both the U.S.A. and China.

**MicroCoal’s** executives have dedicated the past 4 years to develop strong relationships with leading energy/utility providers in the U.S.A. A number of small and large American utilities have engaged with **MCI** in conducting feasibility and deployment studies of **MCI’s** technology process into existing operations. Recent developments include detailed discussions with operating and business departments of significant utilities operating a number of coal-fired plants with sizes ranging between 120MW and 2,400MW. **MicroCoal** is now working together with these utilities in detailed studies to nominate the most appropriate site for the deployment of its first commercial demonstration plant.

Several small and large plants have encountered operational constraints and deficiencies resulting from rising costs, increased competition and more stringent environmental rules. **MicroCoal’s** technology presents significant environmental benefits by converting low-Btu to high-Btu coal while at the same time reducing sulfur and mercury emissions and increasing plant efficiency through impacting the coal’s ash mineralogy. Other benefits of the **MicroCoal** proprietary process include a significant reduction in fuel costs, and improved combustion.

The largest coal reserves on the planet are located in the U.S.A., Russia, China and India. According to the BP Statistical Review of World Energy (June 2010), the US holds 23,830 million metric tons of coal, of which 12,935 million tons are sub-bituminous and lignite (Low-rank), constituting 54% of recoverable reserves. This equates to 31.2% of the world’s proven sub-bituminous and lignite coal reserves in 2009.

**About MicroCoal Inc.**

**MicroCoal Inc.** was incorporated in 2005 and currently has its headquarters in Denver, CO with pilot facilities in Golden, CO. **MicroCoal** is a clean energy company focusing on commercializing the use of its patented technologies to decontaminate and upgrade low-rank coals to match the energy levels of high-rank coals for use by power utilities. **MicroCoal's** proprietary on-site process not only dewateres coal but also removes contaminants on site prior to combustion which results in the potential reduction of GHG emissions and improves fuel efficiency. The reduction in emissions allows for the generation of substantial carbon credits in an industry that is one of the world's largest producers of emissions.

Website address: [www.microcoal.com](http://www.microcoal.com)

**About Carbon Friendly Solutions Inc.**

**Carbon Friendly Solutions Inc.** provides solutions and products for companies, organizations and individuals looking to reduce or offset their global warming impact caused by greenhouse gas ("GHG") emissions including the generation of carbon credits for sale in the global Voluntary and Compliance markets. Through its subsidiaries: Global **CO2 Reduction Inc.**, **CO2 Reduction Poland Sp. z o.o.** and its latest addition, **MicroCoal Inc.**; **CFS** is focused on removing and offsetting GHG emissions from the development of reforestation projects and clean energy technology projects that are independently validated and verified to globally recognized standards and methodologies.

Website address: [www.carbonfriendly.com](http://www.carbonfriendly.com)

On behalf of the Board of Directors

**Carbon Friendly Solutions Inc.**

**MicroCoal Inc.**

"Benzi Livneh"

Director

Certain statements included in this News Release contain forward-looking statements, including disclosure concerning possible or assumed future results of operations of the Company. Forward-looking statements typically are preceded by, followed by or include the words – "believes," "expects," "anticipates," "estimates," "intends," "plans," "or similar expressions. Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions, and the Company's results could differ materially from those anticipated in these forward-looking statements. We seek safe harbor.