

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 31, 2011

Item 3. News Release

The news release was disseminated through Canadian News Wire Group on May 31, 2011.

Item 4. Summary of Material Change

Company's wholly-owned subsidiary, Global CO2 Reduction Inc., has acquired 51% of biomass producer CARBIOPEL - ECO STREAM S.A., Poland.

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



(signature)

Item 9. Date of Report

May 31, 2011



FOR IMMEDIATE RELEASE
Contact Investor Relations
Phone: 604-676-9792

CARBON FRIENDLY SOLUTIONS INC. ACQUIRES 51% OF BIOMASS PRODUCER CARBIOPEL – ECO STREAM S.A., POLAND

Vancouver, B.C., Canada – May 31, 2011 – Carbon Friendly Solutions Inc. (CNSX: CFQ) (“CFS” or the “Company”) is pleased to announce that its wholly-owned subsidiary, Global CO2 Reduction Inc., has acquired 51% of biomass producer CARBIOPEL – ECO STREAM S.A., Poland (“CARBIOPEL”).

The pellet producer - CARBIOPEL is projected to yield 20,000 tons of pellets during 2011 with estimated revenue of USD \$3.4 million, 40,000 tons by the end of 2012 and a minimum of 80,000 tonnes by the year 2016 with estimated revenue USD \$11 million. CARBIOPEL has contractual agreement to purchase production of pellets with GDF SUEZ ENERGIA POLSKA S.A. subsidiary of GDF SUEZ – SA (publicly traded at EURONEX: GSZ, Share price €25.42 = CAD \$35.48).

GDF SUEZ – SA is in the process of constructing a 190 MW biomass power unit (world’s largest), which will become fully operational by the end of 2012. It will reduce CO2 emissions by 1.2 million tons per year. GDF SUEZ is currently the third largest renewable energy producer in Poland and it’s portfolio of renewable energy, accounts for 20% of worldwide power capacity. Biomass power unit will strengthen Poland’s commitment to produce more than 15% of its electricity from renewable sources by 2020. Poland has large biomass resources such as wood and agri-fuels, which can be used for electricity production, thus helping to reduce carbon emissions. CARBIOPEL as a partner for the GDF SUEZ ENERGIA POLSKA S.A by increasing their own production will be one of the largest suppliers of biomass for the newest biomass GDF’s power unit.

The European Union (EU) has a target to generate 20 per cent of its total energy requirements from renewable sources by 2020. *“Biomass is one of the most important resources for reaching our renewable energy targets; it*

already contributes more than half of renewable energy consumption in the EU, providing a clean, secure and competitive energy resource,” says The European Commission’s energy commissioner Günther Oettinger.

Vice President of Carbon Friendly Solutions Inc. and the CARBIOPEL – ECO STREAM S.A. Supervisory Board Member Slawomir Smulewicz stated: *“It is enormous opportunity to work with strong partners in a well-established and rapidly growing renewable energy market in The European Union”.*

About Carbon Friendly Solutions Inc.

Carbon Friendly Solutions Inc. through its subsidiaries is focused on the development of clean energy technology, renewable energy and reforestation projects. **MicroCoal Inc.** (Denver, CO, USA) is a leading 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. **Carbiopel – Eco Stream S.A.** (Lezajsk, Poland) is operating biomass producer in Poland – part a rapidly growing renewable energy market in The European Union. **CO2 Reduction Poland Sp. z o.o** (Warsaw, Poland) through cooperative action with several private land owners is implementing an afforestation project in Poland to restore forest cover on disused agricultural land including the generation of carbon credits for sale in the global Voluntary market. **Global CO2 Reduction Inc.** (Vancouver, BC) is a holding company for CFS subsidiaries in Europe.

On behalf of the Board of Directors

Carbon Friendly Solutions Inc.

“Stan Lis”

President and 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.