

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

August 26, 2011

Item 3. News Release

The news release was disseminated through Canadian News Wire Group on August 26, 2011.

Item 4. Summary of Material Change

Carbon Friendly Solutions Inc. has granted incentive stock options to certain directors, officers and consultants of the Company.

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

August 26, 2011



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

GRANT OF STOCK OPTIONS

Vancouver, BC, Canada –August 26, 2011 – Carbon Friendly Solutions Inc. (CNSX: CFQ) (“CFS” or the “Company”) is pleased to announce that it has granted incentive stock options to certain directors, officers and consultants of the Company to purchase up to 790,000 common shares in the capital stock of the Company pursuant to a shareholder approved Share Option Plan. The options are exercisable on or before August 18, 2016 at an exercise price of \$0.14 per share.

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 focused 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 an operating biomass producer in Poland and part of 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 which will lead to 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.