

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

October 19, 2011

Item 3. News Release

The news release was disseminated through Canadian News Wire Group on August 19, 2011.

Item 4. Summary of Material Change

Carbon Friendly Solutions Inc. has announced that, further to its news release dated June 21, 2011 and news release dated July 4, 2011 it will close a nonbrokered private placement following the 24 hour period as required by CNSX policy.

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

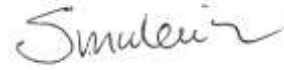
Not applicable

Item 7. Omitted Information

Not applicable

Item 8. Executive Officer

Slawomir Smulewicz, CEO and Director



(signature)

Item 9. Date of Report

October 19, 2011



FOR IMMEDIATE RELEASE

Contact Investor Relations
Phone: 604-676-9792

CARBON FRIENDLY SOLUTIONS INC. FINALIZES SECOND TRANCHE AND CLOSES PRIVATE PLACEMENT.

Vancouver, B.C., Canada – October 19th, 2011 – Carbon Friendly Solutions Inc. (CNSX: CFQ) (“CFS” or the “Company”) is pleased to announce that on Wednesday, October 19th, 2011, the Company closed its financing by way of a non-brokered private placement (“Offering”) announced on June 21st, 2011. **The total financing from the Offering is comprised of CAD\$2,153,550 in gross proceeds from the subscription to 10,767,750 Units.** Each Unit consists of one common share and one common share purchase warrant (the “Warrant”). Each Warrant entitles the holder thereof to purchase one common share of the Company (one “Common Share”) at an exercise price of CAD\$0.35 per Common Share for a period of two years from the closing date of the Offering.

The initial Offering was announced on June 21st, 2011 consisting of up to 10,000,000 units (the “Units”) of the Company, at a proposed subscription price of CAD\$0.20 per Unit. On July 4th, 2011, the Company announced the closing of the initial tranche of the private placement. On September 30th, 2011, the Company finalized the receipt of subscriptions for the second tranche of the Offering.

Carbon Friendly Solutions Inc. is also pleased to announce **the issuance of 400,000 Common Shares to the directors of CARBIOPEL Eco Stream Power S.A. (Carbiopel or “CESP”), Andrzej Murdzia and Krzysztof Duma.** The issuance is in accordance to the announcement made on May 31st, 2011, for the acquisition of 51% of Carbiopel.

CarbioPel is a biomass pellet producer based out of Lezajsk, Poland. CESP focuses on the production of biomass pellets using agricultural residues as feedstock. CESP has developed extensive connections and good standing relationships with large biomass utilities in Poland, which demand large quantities of biomass for electricity and heat generation.

CEO of Carbon Friendly Solutions Inc. and Supervisory Board Member of CARBIOPEL Eco Stream Power S.A., Slawomir Smulewicz has stated:

“The closing of the private placement and the completion of the CarbioPel acquisition are both important developments for Carbon Friendly. We welcome Mr. Murdzia and Mr. Duma to the Carbon Friendly team and look forward to growing our operations in European Biomass and Renewable Energy markets.”

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 Power 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.

“Slawomir Smulewicz”
CEO 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.