

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

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

*Carbon Friendly Solutions  
("CFQ" or the "Company")  
2500-555 West Hastings St.  
PO Box 12072  
Vancouver, BC  
V6B 4N5*

**Item 2. Date of Material Change**

*December 14, 2011*

**Item 3. News Release**

*A news release was issued on December 14, 2011 and disseminated through the facilities of MarketWire.*

**Item 4. Summary of Material Change**

*The Company and its subsidiary, MicroCoal Inc. ("MCI"), announced that Ameren Corporation ("Ameren") has signed a Letter of Interest that reflects the intention of Ameren and MCI to negotiate a term sheet and enter into a proposed license agreement relating to the deployment of MCI technology at one of Ameren's coal-fired power plants in two main phases.*

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

*Please see attached Schedule "A"*

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

*This Report is not being filed on a confidential basis.*

**Item 7. Omitted Information**

*None.*

**Item 8. Executive Officer**

*Slawomir Smulewicz  
CEO and Director  
604.676-9792*

**Item 9. Date of Report**

*December 19, 2011*



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

## **Carbon Friendly's MicroCoal Subsidiary Announces LOI for Commercial Facility with Ameren Corporation (NYSE:AEE)**

**Vancouver, BC, Canada and Denver, CO – December 14, 2011 – Carbon Friendly Solutions Inc. (CNSX: CFQ)** ("CFS" or the "Company") and its subsidiary **MicroCoal Inc. ("MCI")** are pleased to announce that Ameren has signed a Letter of Interest ("LOI") that reflects the intention of **Ameren Corporation (NYSE:AEE)** ("Ameren") and MCI to negotiate a term sheet and enter into a proposed license agreement relating to the deployment of MCI technology at one of Ameren's coal-fired power plants (the "Nominated Plant") in two main phases.

The first phase is proposed to commence in January, 2012 and consists of re-configuring MCI's previously announced four year old pilot plant in Colorado to determine the design for Ameren's plant in upgrading Powder River Basin (PRB) coal to higher energetic value (BTU rating).

The second phase involves the construction and operation of a fully integrated commercial plant, which will be able to treat **250,000** tons of PRB coal per month. This first commercial coal upgrading plant will be located at Ameren's Nominated Plant, located in the State of Missouri. It is a 1,000 Megawatt coal-fired plant and burns approximately 3 million tons of coal annually. The Nominated Plant is one of the largest among the 11 coal-fired plants owned by Ameren.

Using the internationally patented MCI process, an MCI plant located on-site of the coal power generation station uses the station's off-peak slack electricity capacity to remove large amount of water from coal, and increase the BTU rating of the coal. The technology also has the ability to remove contaminants, in addition to allowing utilities to use PRB coal without suffering a loss in generation capacity (derate). PRB coal contains lower contaminant levels (such as sulfur) than the higher BTU Eastern coals, such as Illinois Basin (ILB) coal.

When compared to raw coal from Montana and Wyoming's Powder River Basin, MCI treated coal at the Nominated Plant will have approximately 15 percent more energetic value in addition to reductions in carbon dioxide, mercury, sulfur dioxide, and nitrous oxides. Results will vary based on the type and source of the coal.

Benzi Livneh, Director of CFS and CEO of MCI states:

*"We are very pleased to have reached this milestone with Ameren, one of America's ten largest utilities and an acknowledged innovative leader. We have worked closely with Ameren for many months, examining their coal and understanding the needs of the Nominated Plant. This LOI is a testament to the*

*detailed and dedicated work by teams from both Ameren and MCI, and is a validation of the technology's potential."*

### **About Carbon Friendly Solutions**

Carbon Friendly Solutions Inc., through its subsidiaries MicroCoal Inc. (Denver, CO, USA), CO2 Reduction Poland Sp. z o.o. (Warsaw, Poland) and Carbiopel – Eco Stream Power S.A. (Lezajsk, Poland); is focused on the development of clean energy technology, renewable energy and forestry projects.

### **About MicroCoal Inc.**

MCI has spent four years developing an internationally proven and patented process to convert low-rank (low BTU) coal to more expensive high-rank (high BTU) coal. Potential cost savings for power plants that adopt this technology varies depending upon fuel types, capacity and local conditions, but is estimated between \$20 - \$50 MM in fuel costs alone.

### **About Ameren Corporation**

Ameren Corporation (NYSE: AEE) is a Fortune 500 company with assets of \$23 billion. It is the parent company of Ameren Illinois, based in Peoria, Ill., and Ameren Missouri in St. Louis, Mo. Ameren companies generate a net capacity of 16,600 megawatts of electricity, serving 2.4 million electric customers. Ameren Missouri ranks as the largest electric power provider in the state of Missouri. For more information on Ameren go to: [www.ameren.com](http://www.ameren.com).

On behalf of the Board of Directors

Carbon Friendly Solutions Inc.

"Slawomir Smulewicz"

CEO and Director

#### Forward Looking Statements

*This news release contains "forward-looking information" within the meaning of the Canadian securities laws. Forward looking information is generally identifiable by use of the words "believes," "may," "plans," "will," "anticipates," "intends," "budgets," "could," "estimates," "expects," "forecasts," "projects" "approximately", "proposed" and similar expressions, and the negative of such expressions. Forward-looking information in this news release includes statements about Carbon Friendly's prospective business relationship, MicroCoal's technology, technology development and future roll-out plans.*

*In connection with the forward-looking information contained in this news release, Carbon Friendly has made numerous assumptions, regarding, among other things, our MicroCoal's patented technology and future sales. While Carbon Friendly considers these assumptions to be reasonable, these assumptions are inherently subject to significant uncertainties and contingencies.*

*Additionally, there are known and unknown risk factors, which could cause MicroCoal's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein. Known risk factors include, among others: the possibility that the rate of growth of the market for the coal power system; future sales of MicroCoal technology may not materialize; the technology may not work on a specific type of coal and its economic or environmental benefits may not be realized in full, the substantial investment of capital that may be required for a Build Own Operate Model; limitations imposed by our financing abilities; difficulties entering international markets, and sovereign risk.*

*A more complete discussion of the risks and uncertainties facing MicroCoal Inc. is disclosed in Carbon Friendly's continuous disclosure filings with Canadian securities regulatory authorities at [www.sedar.com](http://www.sedar.com). All forward-looking information herein is qualified in its entirety by this cautionary statement, and Carbon Friendly disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law. Neither CNSX nor its Regulation Services Provider (as that term is defined in the policies of the CNSX) accepts responsibility for the adequacy or accuracy of the release.*