



FOR IMMEDIATE RELEASE

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CARBON FRIENDLY SOLUTIONS INC. SIGNS VOLUNTARY EMISSION REDUCTION TRANSFER AGREEMENT FOR THE SETTLEMENT OF ORICA'S REMAINING INTEREST IN MICROCOAL.

Vancouver, B.C., Canada – December 22nd, 2011 – Carbon Friendly Solutions Inc. (CNSX:CFQ) (“CFS” or the “Company”) has recently **reached an agreement** with **Orica Limited (ASX:ORI) (“ORI” or the “Recipient”)** defining the terms and obligations for the **settlement of ORI’s outstanding debt in MicroCoal Inc. (“MCI”)** and the **transfer of its remaining 41.79% stake in MCI** to the Company (the “Debt”).

Pursuant to the Share Purchase Agreement signed by **CFS** and **ORI** on October 15th, 2010 sanctioning **CFS’s** acquisition of the majority share capital in **MCI** (58.21%), and the amendment to the agreement signed on January 10th, 2011, allowing **CFS** to acquire **ORI’s** remaining debt and security interest in **MCI** for **USD\$1,000,000**, giving the Company full ownership of **MCI**; the Voluntary Emission Reduction Transfer Agreement (the “Agreement”) was drafted to outline the terms, obligations and execution schedule of the Secured Convertible Promissory Note.

The **Voluntary Emission Reduction Transfer Agreement** consigns to **CFS** providing **ORI** with (i) a **down payment of USD\$125,000**, (ii) the **transfer of 200,000 VERs** from CFS’s Offset Inventory, and (iii) a **final payment for any shortfall** from the remaining debt.

The **VERs** represented in the Agreement will consist of **ISO 14064-2 Validated Voluntary Emission Reductions** generated from **the Northern Poland Afforestation Offset Project (“NPAOP”)** as a security on the payment of the Debt. **CFS** will transfer all legal and equitable title of the **VERs** to **ORI** through an accredited registry account permitting **ORI** to engage in selling the **VERs** to other entities or retiring the **VERs** as a signal to reducing its own global carbon footprint.

Upon settlement of the Voluntary Emission Reduction Transfer Agreement, **ORI** will have no remaining debt in **MCI**, priority interest in any of **MCI’s** assets, or ownership shares **MCI**. **CFS** will hold a full ownership stake (100% shareholding) of **MCI**.

CEO and Director of Carbon Friendly Solutions Inc., Slawomir Smulewicz, states:

“We are content with the results from ongoing negotiations with Orica, and look forward to future developments with MicroCoal as a fully-owned subsidiary of Carbon Friendly.”

About Carbon Friendly Solutions Inc.

Carbon Friendly Solutions Inc., through its subsidiaries: **MicroCoal**, **CO2 Reduction Poland** and **CarbioPel**, is focused on the development of clean energy technology, renewable energy and forestry projects. **MicroCoal Inc.** 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.** 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.**, through cooperative action with several private landowners, is implementing

afforestation projects 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.

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, ISO 14064-2 Validated Voluntary Emission Reductions (VER), the Northern Poland Afforestation Offset Project 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 ISO 14064-2 Validated Voluntary Emission Reductions 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 Carbon Friendly’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 Voluntary Emission Reduction; future sales of VER may not materialize; environmental benefits may not be realized in full; difficulties entering international markets, and sovereign risk.

A more complete discussion of the risks and uncertainties facing the Northern Poland Afforestation Offset Project and ISO 14064-2 Validated Voluntary Emission Reductions is disclosed in Carbon Friendly’s continuous disclosure filings with Canadian securities regulatory authorities at 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.