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CARBON FRIENDLY SOLUTIONS INC. SIGNS “MOU” WITH MAJOR IRON AND STEEL PRODUCER IN CHINA

Vancouver, B.C., Canada – March 26, 2012 – Carbon Friendly Solutions Inc. (CNSX: CFQ) (the “Company” or “Carbon Friendly”) is pleased to announce that the Company, through its wholly-owned subsidiary Microcoal International Inc. (“MCI”), has signed a Memorandum of Understanding (“MOU”) with Hebei Iron and Steel Group Limited (“HBIS”), a major iron and steel producer in China, setting out the terms for a detailed project design package to be developed for a large scale industrial facility. HBIS utilizes approximately 9 million tonnes of coal per year to produce steel. Microcoal technology has been developed to reduce input costs, optimize operational performance and decrease environmental footprint.

Microcoal is focused on upgrading coal through the use of their patented technology. International Energy Agency (“IEA”) statistics indicate that China is one of the largest thermal and metallurgical coal markets worldwide. Thermal coal is primarily used for generating electricity, while metallurgical coal, which must contain specific coking properties, is used in steelmaking. China produces 51% of the world’s metallurgical coal making it world’s largest producer and consumer of metallurgical coal, accounting for over 500 million tonnes of consumption in 2010. (Source: IEA & World Steel Association)

Further, Carbon Friendly reports that its second visit to China has been successful in establishing a number of relationships with coal-fired utilities, which may provide significant opportunities for Microcoal’s patented technology, given that China relies on coal for 79% of its electricity generation.

CEO of Carbon Friendly, Slawek Smulewicz states: *“On behalf of the Company, I would like to thank Ms. Li Yan, our representative, and her local team in China, for establishing relationships and organizing meetings which led to the signing of this MOU with HBIS, one of the world’s largest steel manufacturers.”*

About Carbon Friendly Solutions Inc.:

Carbon Friendly Solutions Inc., through its subsidiaries, is focused on the development of energy efficiency technology, renewable energy, and reforestation projects that have the potential to generate significant revenue. **MicroCoal Inc.** has an internationally patented technology that is expected to improve coal-fired utilities’ economic performance by reducing input costs, improving operations and simultaneously reducing their environmental footprint. **Global CO2 Reduction Inc.** generates Carbon Offsets from forestry projects that may be transacted through international voluntary markets. **Carbiopel Eco-Stream Power S.A.** aggregates biomass supply and produces biomass fuel pellets for the European market, including large European utilities and independent renewable energy providers, in line with EU renewable energy directives.

On behalf of the Board of Directors

Carbon Friendly Solutions Inc.

“Slawek Smulewicz”
CEO and Director

For Information:

Phone: 604 676 9792

Email: info@carbonfriendly.com

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, the development of Carbon Offsets through forestry projects, 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 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.