



NR-12-08

Vancouver, B.C., Canada – May 17th, 2012 – Carbon Friendly Solutions Inc. (CNSX: CFQ) (the “Company”) is pleased to announce that Orica and the Company have reached an amicable solution, which has been incorporated in an amending agreement dated May 17th, 2012 (the “Amending Agreement”). The Amending Agreement provides that the Voluntary Emission Reduction Transfer Agreement dated December 12, 2011, would be amended to provide the Company an extended period until 31 August 2012 to pay the outstanding balance of US\$875,000 (the “Amount”) in exchange for the Company paying Orica interest on the Amount until the Amount is paid in full. The Agreement further provides that the Company, as a major shareholder, will appoint three (3) directors to the board of MicroCoal™ Inc.; upon execution of the Amending Agreement. Both parties have agreed to work together in best interest of MicroCoal. All other terms under the original agreement remain unchanged and continue to be in full force and effect.

Slawomir Smulewicz, CEO of the Company, states: *“We are pleased to work with Orica to arrive at this mutually acceptable Agreement, and now look forward to focusing our efforts towards advancement of commercialization of the MicroCoal™ technology.”*

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** generates Carbon Offsets from forestry projects that may be transacted through international voluntary markets. **Carbiopel 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

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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, Carbiopel’s projections and business model, 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.