



*A World Leader in Clean Coal Upgrading Technology*

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29 July, 2013

Dear Fellow Shareholder,

I am pleased to announce our recent name change from Carbon Friendly Solutions Inc. to MicroCoal Technologies Inc. (CNSX: MTI). This initiative signifies the Company's rebranding and focus on the MicroCoal™ Technology as its core business and its potential to be a world leading clean-coal upgrading technology company.

Today, we are pleased to announce the first binding sales contract for a commercial scale MicroCoal installation in Indonesia (the "Sales Contract") (see attached News Release). As one of the largest suppliers of low-rank coal in Asia, this is an important milestone for our Company. The total number of coal fired power plants in Indonesia is estimated to be approximately 55 resulting in a potential \$2 billion business opportunity in this area alone. There are other countries in Asia that rely heavily on coal to generate electricity. The Company has been in discussions with various parties in these countries to canvass their interest and the results to date have been very positive. In addition, the Company is in negotiations with several parties in Indonesia which may result in the announcement of another agreement prior to the year end. This Sales Contract paves the way for the Company to secure agreements with these parties.

Concurrent with our activities in Asia we are successfully advancing our business activities with a number of North American coal-fired utilities. Our agreement with Ameren continues to be in good standing subject to a minor delay unrelated to the Company. Another major utility has completed a detailed evaluation of our technology and it is anticipated that we will be in a position to announce completion of an agreement in the near future.

I am sure you will agree with me that this is welcome news for all of us and I hope that you will continue your support for the Company as we strive to meet and exceed even bigger milestones.

Recently we completed construction of a new and informative website at [www.MicroCoal.com](http://www.MicroCoal.com). We encourage you to visit our site and register for updates so we can better serve your need for timely dissemination of news releases. I am also happy to report that you will be able to follow your Company on Facebook and Twitter should you wish. Feel free to contact us directly by emailing us at [info@microcoal.com](mailto:info@microcoal.com). Your privacy is of the utmost importance to us so please rest assured that we will not share or sell your personal information with anyone.

Thank you for your continued support.

Kindest regards

A handwritten signature in blue ink that reads 'Smulewicz'.

*Slawek Smulewicz, CEO*