

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Carbon Friendly Solutions Inc. (the "Company")
2500 – 555 W. Hastings St.
Vancouver, B.C.
V6B 4N5

Item 2. Date of Material Change

January 12, 2011

Item 3. News Release

The news release was disseminated through Canadian News Wire Group on January 12, 2011.

Item 4. Summary of Material Change

The share purchase agreement ("SPA") in connection with the acquisition of MicroCoal Inc ("Transaction"), as announced October 26, 2010, will be amended.

Under the amendment, Carbon Friendly Solutions Inc shall become a majority shareholder of MicroCoal Inc ("MCI" or MicroCoal") holding 58.21% of the entire capital shares of MicroCoal once the share exchange has been consummated.

Upon closing of the entire Transaction, including the completion of a financing of CAD\$ 6 mm and the payment of certain indebtedness to MicroCoal creditors, financiers or shareholders, Carbon Friendly will own 100% of MicroCoal.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

See attached news release.

5.2 Disclosure for Restructuring Transactions

Not applicable

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

Not applicable

Item 7. Omitted Information

Not applicable

Item 8. Executive Officer

Stan Lis, President and Director

A handwritten signature in black ink, appearing to read 'Stan Lis', is written above a horizontal line.

(signature)

Item 9. Date of Report

January 13, 2011



FOR IMMEDIATE RELEASE

Contact Investor Relations

Phone: 604-676-9792

CARBON FRIENDLY AMENDS MICROCOAL TRANSACTION

Vancouver, BC, Canada –January 12, 2011 – Carbon Friendly Solutions Inc. (CNSX: CFQ) (“CFS” or the “Company”) announces that the share purchase agreement (“SPA”) in connection with the acquisition of MicroCoal Inc (“Transaction”), as announced October 26, 2010, will be amended.

Under the amendment, CFS shall become a majority shareholder of MicroCoal Inc (“MCI” or MicroCoal”) holding 58.21% of the entire capital shares of MicroCoal once the share exchange (“Exchange”) has been consummated. Upon closing of the entire Transaction, including the completion of a financing of CAD\$ 6 mm (“Financing”) and the payment of certain indebtedness to MicroCoal creditors, financiers or shareholders, Carbon Friendly will own 100% of MicroCoal.

Upon signing of the amendment of the SPA, each of the MCI shareholders, except Orica US Services Inc. (“Orica”), shall exchange his/her/its entire capital share of MicroCoal for a specific number of common shares (“Shares”) of Carbon Friendly Solutions, (the “Conversion Shares”), with the Conversion Shares divided up among all MicroCoal shareholders, except Orica, on a pro-rata basis in proportion to their MicroCoal share holdings. The specific number of Conversion Shares delivered to each MCI shareholder shall be based upon the MCI shareholders in total receiving US\$3,000,000 of Conversion Shares of CFS. The value of the Carbon Friendly Solutions Shares to be delivered as Conversion Shares shall be at the same price as the Shares that are sold in the Financing to raise CAD\$ 6,000,000 at the price of CAD\$ 0.30.

The Amendment is subject to the approval of the MicroCoal shareholders, except Orica. Stan Lis, President and CEO of Carbon Friendly Solutions Inc stated: “We are very pleased with the progress of the transaction. MicroCoal will be complementing our project portfolio perfectly and immensely increase shareholder value. Carbon Friendly has received positive feedback from the MicroCoal shareholder on the amendment and is looking forward to being able to confirm this important milestone soon.”

About MicroCoal Inc.

MicroCoal Inc. was incorporated in May 2005 in the State of Delaware and currently has its headquarters in Denver, CO with pilot facilities in Golden, CO. MicroCoal is a clean energy company focusing 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. MicroCoal's proprietary on-site process not only cleans up coal at the power plant prior to combustion by significantly reducing contaminants, but it also reduces GHG emissions and improves fuel efficiency. The reduction in emissions allows for the generation of substantial carbon credits in an industry that is one of the world's largest producers of emissions. The deployment of MCI's technology offers utilities significant economic, environmental as well as operational benefits.

Website address: www.microcoal.com

About Carbon Friendly Solutions Inc.

Carbon Friendly Solutions Inc. provides solutions and products for companies, organizations and individuals looking to reduce or offset their global warming impact caused by greenhouse gas ("GHG") emissions, while including the generation of carbon credits for sale in the global Voluntary and Compliance markets. Through its subsidiaries, Global CO2 Reduction Inc. and CO2 Reduction Poland Sp. z o.o., CFS is focusing on removing and offsetting GHG emissions from the development of reforestation projects and renewable energy technology projects that are independently validated and verified to globally recognized standards and methodologies.

Website address www.carbonfriendly.com

On behalf of the Board of Directors Carbon Friendly Solutions Inc.

"Stan Lis"

President and Director

Certain statements included in this News Release contain forward-looking statements, including disclosure concerning possible or assumed future results of operations of the Company. Forward-looking statements typically are preceded by, followed by or include the words – "believes," "expects," "anticipates," "estimates," "intends," "plans," "or similar expressions. Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions, and the Company's results could differ materially from those anticipated in these forward-looking statements.