

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 31, 2011

Item 3. News Release

The news release was disseminated through Canadian News Wire Group on January 31, 2011.

Item 4. Summary of Material Change

The Company has finalized the acquisition of 58.21% of the outstanding share capital of MicroCoal Inc. ("MCI" or "MicroCoal"), as announced on January 12, 20 and 21, 2011.

In accordance with the share purchase agreement and its amendment, all MicroCoal shareholders, except for one, exchanged their shares of MicroCoal on a pro rata basis for 10,957,778 common shares of CFS stock at a price of CAD\$ 0.27 per share, which equals a total of US\$3 million (the "Share Exchange"). The physical Share Exchange is expected to occur later in the week.

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

Item 9. Date of Report

January 31, 2011



FOR IMMEDIATE RELEASE

Contact Investor Relations

Phone: 604-676-9792

CARBON FRIENDLY CONFIRMS MAJORITY SHARE ACQUISITION OF MICROCOAL

Vancouver, BC, Canada –January 31, 2011 – Carbon Friendly Solutions Inc. (CNSX: CFQ) (“CFS” or the “Company”) is pleased to announce that the Company has finalized the acquisition of 58.21% of the outstanding share capital of MicroCoal Inc. (“MCI” or “MicroCoal”), as announced on January 12, 20 and 21, 2011.

In accordance with the share purchase agreement and its amendment, all MicroCoal shareholders, except for one, exchanged their shares of MicroCoal on a pro rata basis for 10,957,778 common shares of CFS stock at a price of CAD\$ 0.27 per share, which equals a total of US\$3 million (the “Share Exchange”). The physical Share Exchange is expected to occur later in the week.

In addition to the Share Exchange and in accordance with the share purchase agreement, the Company is to complete a private placement financing of up to CAD\$6 million (the “Financing”) and from such proceeds, the Company is to pay (i) US\$1 million cash to a certain creditor/shareholder of MCI in consideration for the forgiveness of certain outstanding debt owed to such creditor by MCI and for the re-purchase of such creditor’s 1,013 MCI shares for cancellation; and (ii) up to US\$85,000 cash to certain other creditors of MCI to settle other outstanding indebtedness owed by MCI. Upon completion of the entire transaction, the Company will own 100% of MicroCoal. Furthermore, upon completion of the entire transaction, a consultant and shareholder of the Company will receive an introduction fee of CAD\$450,000.

Stan Lis, President and CEO of Carbon Friendly Solutions Inc. stated, “Carbon Friendly is very pleased to acquire MicroCoal Inc. with its patented technology to our project portfolio, and hence significantly adding shareholder value. We are looking forward to further developing and marketing the unique technology in order to provide a viable solution to utilities worldwide. The on-site deployment of the technology offers utilities significant economic, environmental as well as operational benefits.”

About MicroCoal Inc.

MicroCoal Inc. was incorporated in 2005 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. 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.