

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 20, 2011

Item 3. News Release

The news release was disseminated through Canadian News Wire Group on January 20, 2011.

Item 4. Summary of Material Change

The amendment of the share purchase agreement in connection with the acquisition of MicroCoal Inc. ("MCI" or "MicroCoal"), as announced January 11, 2011, has been approved by the MicroCoal shareholders. By signing the amendment, the MCI shareholders agreed to consummate the share exchange and receive 10,957,778 common shares of Carbon Friendly stock at a price of CAD\$ 0.27, which equals a total of US\$ 3 million (based on 1 USD = 0.9862 CAD; Bank of Canada January 17, 2010). CFS has become a majority shareholder of MCI holding 58.21% of the entire capital shares of MicroCoal. 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

Item 9. Date of Report

January 20, 2011



FOR IMMEDIATE RELEASE
Contact Investor Relations
Phone: 604-676-9792

January 20, 2011

CARBON FRIENDLY BECOMES MAJORITY SHAREHOLDER OF MICROCOAL

Vancouver, BC, Canada –January 20, 2011 – Carbon Friendly Solutions Inc. (CNSX: CFQ) (“CFS” or the “Company”) is pleased to announce that the amendment of the share purchase agreement in connection with the acquisition of MicroCoal Inc. (“MCI” or “MicroCoal”), as announced January 11, 2011, has been approved by the MicroCoal shareholders.

By signing the amendment, the MCI shareholders agreed to consummate the share exchange and receive 10,957,778 common shares of Carbon Friendly stock at a price of CAD\$ 0.27, which equals a total of US\$ 3 million (based on 1 USD = 0.9862 CAD; Bank of Canada January 17, 2010). CFS has become a majority shareholder of MCI holding 58.21% of the entire capital shares of MicroCoal. 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.

Stan Lis, President and CEO of Carbon Friendly Solutions Inc stated: “Carbon Friendly is very pleased to confirm the share exchange as an important milestone in the acquisition of MicroCoal Inc. The progress of the entire transaction is succeeding as expected.”

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.