

**FORM 27**

*Securities Act (British Columbia)*

**MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE SECURITIES ACT**

**Item 1. Reporting Issuer**

The full name, address, telephone number and the principal office in Canada of the Reporting Issuer is:

Hedong Energy Inc.  
Registered Office:  
Penthouse 1, 945 Marine Drive  
West Vancouver, B.C. V7T 1A8  
Telephone: (604) 926-1120

**Item 2. Date of Material Change**

January 7, 2000

**Item 3. News Release**

A news release issued pursuant to Section 85(1) of the Act announcing the material change described below was obtained for filing to the Vancouver Stock Exchange (Market Surveillance and Corporate Finance Services Dept.) and for additional dissemination to Vancouver Stockwatch, The George Cross Newsletter and Market News Publishing Inc. on November 22, 1999.

**Item 4. Summary of Material Change**

The issuer has announced the following:

**RESIGNATION & APPOINTMENT OF DIRECTOR**

**Item 5. Full Description of Material Change**

Hedong Energy Inc. wishes to announce that Mr Stephen Peter Mitchell has resigned from the Board of Directors of the Company effective immediately.

Hedong Energy Inc. wishes to announce that Mr Andrew William Metcalfe was appointed as a Director of the Company effective immediately.

**Item 6. Reliance on Section 85(2) of the Act**

The Report is not being filed on a confidential basis in reliance on Section 85(2) of the Act.

**Item 7. Omitted Information**

No information has been omitted from this Report on the basis that the Reporting Issuer believes that such information should remain confidential.

**Item 8. Senior Officers**

The name and business telephone number of a senior officer of the Reporting Issuer who is knowledgeable about the material change and this Report is:

Dr. David King  
President  
Hedong Energy Inc.  
Telephone: (international) 61 2 9299.1131 or Fax 61 2 9299.1161.

**Item 9. Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED January 7, 2000

**“Andrew Metcalfe” (signed)**

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Andrew W. Metcalfe, Corporate Secretary  
HEDONG ENERGY INC.

# NEWS RELEASE

**JANUARY 7, 2000**  
**(FOR IMMEDIATE RELEASE)**

**HEDONG ENERGY INC. (VSE: HE)**

Level 2, Stawell Chambers,  
493 - 495 Little Bourke Street,  
Melbourne Vic. 3000  
AUSTRALIA

For further information regarding this Release, contact:

**Dr. David King** (*Chief Executive*) in Sydney: Telephone 61 2 9299 1131 or Facsimile 61 2 9299 1161  
**Mr. Andrew Metcalfe** (*Secretary*) in Melbourne: Telephone 61 3 9670 2166 or Facsimile 61 3 9670 9043

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**RESIGNATION & APPOINTMENT OF DIRECTOR**

Hedong Energy Inc. wishes to announce that Mr Stephen Peter Mitchell has resigned from the Board of Directors of the Company effective immediately.

Hedong Energy Inc. wishes to announce that Mr Andrew William Metcalfe was appointed as a Director of the Company effective immediately.

For further information contact either David King (61 2) 9299-1131 or Andrew Metcalfe (61 3) 9670-2166 in Australia.

**ANDREW METCALFE**

*Secretary - Hedong Energy Inc.*

**DISCLAIMER**

The Vancouver Stock Exchange has reviewed, but does not accept responsibility for, the adequacy or accuracy of this News Release.