

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

19 December 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 Canadian Venture Exchange (Corporate Finance Services Dept.) and for additional dissemination to Vancouver Stockwatch, The George Cross Newsletter and Market News Publishing Inc. on 19 December 2000.

Item 4. Summary of Material Change

The issuer has announced the following:

RESIGNATION OF DIRECTOR

Item 5. Full Description of Material Change

The directors of Hedong Energy Inc. wish to advise that Mr Andrew Metcalfe resigned as a director of Hedong effective December 15, 2000.

Mr Metcalfe remains as the Corporate Secretary of the Corporation.

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
Chief Executive Officer
Hedong Energy Inc.
Telephone: (international) 61 2 9232 4158 or Fax 61 2 9232 8797.

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED 19 December 2000

“Andrew Metcalfe” (signed)

Andrew W. Metcalfe, Corporate Secretary
HEDONG ENERGY INC.

NEWS RELEASE

19 DECEMBER 2000

(FOR IMMEDIATE RELEASE)

HEDONG ENERGY INC. (CDNX: HE)

Level 14, 31 Queen Street
Melbourne Vic. 3000
AUSTRALIA

For further information regarding this Release, contact:

Dr. David King (*Chief Executive*) in Sydney:

Telephone 61 2 9232 4158 or Facsimile 61 2 9232 8797

Mr. Andrew Metcalfe (*Secretary*) in Melbourne:

Telephone 61 3 9620 9800 or Facsimile 61 3 9620 2804

Email: ametcalfe@lowell.net.au

RESIGNATION OF DIRECTOR

The directors of Hedong Energy Inc. wish to advise that Mr Andrew Metcalfe resigned as a director of Hedong effective December 15, 2000.

Mr Metcalfe remains as the Corporate Secretary of the Corporation.

For further information contact either David King (61 2) 9232 4158 or Andrew Metcalfe (61 3) 9620 9800 in Australia.

“Andrew Metcalfe” signed

ANDREW METCALFE

Secretary - Hedong Energy Inc.

DISCLAIMER The Canadian Venture Exchange has not reviewed, and does not accept responsibility for, the adequacy or accuracy of this News Release.