TECHNICAL REPORT
EAST ENERGY CORP. LANDS
HINTON COAL PROPERTY, ALBERTA

Submitted to:
EAST ENERGY CORP.

July 25, 2008

Norwest Corporation
2700, 411 – 1 Street SE
Calgary, Alberta
T2G 4Y5
Tel: (403) 237-7763
Fax: (403) 263-4086
Email calgary@norwestcorp.com

www.norwestcorp.com

Qualified Persons: T. Hannah, P. Geol.
C. Acott, P, Eng.

NORWEST
CORPORATION

1 TITLE PAGE

TECHNICAL REPORT
EAST ENERGY CORP. LANDS
HINTON COAL PROPERTY,
ALBERTA

Submitted to:
EAST ENERGY CORP.

July 25, 2008

Norwest Corporation
2700, 411 – 1 Street SE
Calgary, Alberta
T2G 4Y5
Tel: (403) 237-7763
Fax: (403) 263-4086
Email calgary@norwestcorp.com

www.norwestcorp.com

Qualified Persons: T. Hannah, P. Geol.
C. Acott, P. Eng.

NORWEST
CORPORATION

2 TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

3 SUMMARY

In 2008 East Energy Corp. commissioned Norwest Corporation to prepare a Technical Report for its coal holdings of the Hinton Coal Property located in west-central Alberta in accordance with the requirements of National Instrument 43-101. The location of this area is shown on Figure 4-1. The confirmation of documented geology and coal development and the verification of coal resources were completed through data reviews, geologic modeling, resource calculations, and a site visit. The findings and conclusions are based on information developed by Norwest from data provided by East Energy.

The Hinton Coal Property, as illustrated in Figures 6-1, covers coal-bearing strata in the Foothills Region of central Alberta. The property is centred about 19 km northwest of the town of Hinton, Alberta which is located on Highway 16, midway between Edmonton and Jasper. The Hinton Coal Project area is centered approximately on Township 56, Range 26 W5.

In the Project vicinity the first modern coal exploration commenced in 1974 and was conducted by Union Oil. More recent work was done by Manalta Coal in 1990 and 1992.

Regionally, the strata in this area lie on the western limb of the Entrance Syncline. The coal seams are contained in eleven coal zones within the upper portion of the Coalspur Formation. These coal zones are Upper Cretaceous – Tertiary in age and lie near the top of the Saunders Group, under the Paskapoo Formation. Locally, the Coalspur Formation contains up to fifty-five correlatable coal seams within eleven zones, with a stratigraphic thickness of about 45 m of coal in 300 m of coal-bearing section. Bentonitic layers are common within this zone. Correlation of coal beds within the lease areas is not difficult but seam thickness variations and pinch-outs are common.

Previous drilling carried out between 1974 and 1992 has resulted in eighty-seven coal exploration drill holes being drilled in or around the Hinton lease. For this report, the client supplied a drill hole database which included the available holes. The geological model that has been prepared for this evaluation includes these holes, with a total of 7,067 m drilled.

Norwest used MineSight® software to construct a gridded seam model of the Hinton Coal Property area in order to estimate volumes for in-place coal resources. All coal seams or "surfaces" were modeled to provide the required inputs for volume estimation. Volumes were converted to tonnage by the application of density values representative of the coal seams modeled.

Resources are classified as to the assurance of their existence into one of three categories, Measured, Indicated or Inferred. The category to which a resource is assigned depends on the