
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Mongolia Energy Corporation Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

**MONGOLIA ENERGY CORPORATION LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock code: 276)

**DISCLOSEABLE TRANSACTION:
DISPOSAL OF INTEREST IN
NEW WORLD MOBILE HOLDINGS LIMITED
BY A WHOLLY OWNED SUBSIDIARY**

A letter from the Board of Mongolia Energy Corporation Limited is set out on pages 2 to 4 of this circular.

June 13, 2007

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	2
APPENDIX – GENERAL INFORMATION	5

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Announcement”	the announcement dated May 23, 2007 issued by the Company
“Board”	the board of Directors
“Company”	Mongolia Energy Corporation Limited (stock code: 276), a company incorporated in Bermuda with limited liability and whose issued shares are listed on the Stock Exchange
“Consideration”	HK\$24,611,000, being the cash consideration received by the Company pursuant to the Disposals
“Director(s)”	director(s) of the Company
“Disposals”	the disposals of 8,128,000 NWM Shares on-market, which disposals were made during the period from April 4, 2007 to May 22, 2007
“Golden”	Golden Infinity Co., Ltd, a company incorporated in the British Virgin Islands with limited liability, which is wholly owned by Mr. Lo Lin Shing, Simon
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	June 7, 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NWM”	New World Mobile Holdings Limited (stock code: 862), a company incorporated in the Cayman Islands with limited liability and whose issued shares are listed on the Stock Exchange
“NWM Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of NWM
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

MEC

MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 276)

Executive Directors:

Mr. Lo Lin Shing, Simon (*Chairman*)

Ms. Yvette Ong

Non-executive Director:

Mr. To Hin Tsun, Gerald

Independent non-executive Directors:

Mr. Peter Pun, *OBE, JP*

Mr. Tsui Hing Chuen, *William, JP*

Mr. Lau Wai Piu

Registered office:

Clarendon House

Church Street

Hamilton HM 11

Bermuda

*Head office and principal place
of business in Hong Kong:*

Rooms 1502-5

New World Tower 1

16-18 Queen's Road Central

Hong Kong

June 13, 2007

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION:
DISPOSAL OF INTEREST IN
NEW WORLD MOBILE HOLDINGS LIMITED
BY A WHOLLY OWNED SUBSIDIARY**

INTRODUCTION

By the Announcement, the Board announced that the Group, through a wholly owned subsidiary, has disposed of 8,128,000 NWM Shares through open market during the period from April 4, 2007 to May 22, 2007, representing approximately 8.32% of the issued share capital of NWM according to the latest information published on the Stock Exchange's website, at unit prices ranging from HK\$2.00 to HK\$3.75 per NWM Share (as shown in the respective contract notes). The average selling price was approximately HK\$3.028 per NWM Share. The Consideration received by the Company pursuant to the Disposals is approximately HK\$24,611,000.

THE DISPOSALS

The Purchasers: On-market disposals to independent third parties

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the purchasers and their ultimate beneficial owner(s) are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

Asset disposed of

A total of 8,128,000 NWM Shares, representing approximately 8.32% of the issued share capital of NWM according to the latest information published on the Stock Exchange's website.

Consideration

The Consideration was satisfied by cash. The Consideration was arrived at based on the open market value for the period from April 4, 2007 to May 22, 2007.

INFORMATION OF THE GROUP AND NWM

The Group engages in property investments in Hong Kong and aircraft charter services.

Through the purchase of a coal mine in western Mongolia as announced on February 7, 2007 and sanctioned by shareholders on April 18, 2007, and the acquisition of further coal mine also in western Mongolia as announced on May 30, 2007 the Group is focusing on mine exploration, coal production and energy related businesses.

NWM is an investment holding company incorporated in the Cayman Islands and is principally engaged in technology business which includes the provision of mobile Internet-related services.

The following is a summary of the audited consolidated results of NWM, extracted from its annual report, for the two years ended June 30, 2005 and 2006 respectively:

	For the year ended June 30	
	2006	2005
	HK\$'000	HK\$'000
		(restated)
Continuing operations:		
Loss before taxation	(133,567)	(47,041)
Taxation	—	(51)
	<hr/>	<hr/>
Loss from continuing operations	(133,567)	(47,092)
Discontinued operations:		
Profit from discontinued operations	1,045,209	36,693
	<hr/>	<hr/>
Profit/(loss) attributable to shareholders	<u>911,642</u>	<u>(10,399)</u>
Net liabilities	<u>(97,289)</u>	<u>(1,029,931)</u>

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE DISPOSALS

Pursuant to a sale and purchase agreement dated September 12, 2005 (“S&P Agreement”) entered into between the Company and NWM, 16,153,846 NWM Shares were issued by NWM to the Company’s subsidiary at an issue price of HK\$1.30 per NWM Share in satisfaction of the consideration payable under the S&P Agreement. The NWM Shares are classified as financial assets at fair value through profit or loss under current assets. The Company had in April 2006 disposed of 62,000 NWM Shares through open market at an average selling price of approximately HK\$2.007 per NWM Share.

In view of the current market conditions and having considered the terms of the Disposals, the Board is of the view that the Disposals are fair and reasonable and in the interests of the shareholders of the Company as a whole.

USE OF PROCEEDS

As a result of the Disposals, based on the Consideration of HK\$24,611,000, the Group is expected to record an unaudited gain on disposal of approximately HK\$11,298,000 and the net asset value of the Company is enhanced by the same amount. The Group intends to use the net proceeds as general working capital.

GENERAL

Based on the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules, the Disposals of the NWM Shares from April 4, 2007 to May 22, 2007 constitute a discloseable transaction for the Company. Apart from that, the Company has not made any disposal of the NWM Shares within a period of 12 months from May 23, 2006. After the Disposals, the Group further disposed of 4,192,000 NWM Shares through open market, at an average selling price of approximately HK\$4.469 per NWM Share which, when aggregated with the Disposals, still constituted discloseable transaction for the Company. At the Latest Practicable Date, the Company still owns 3,771,846 NWM Shares. The Company will closely monitor further disposals (if any) of the remaining NWM Shares to ensure that the aggregate consideration of further disposals of NWM Shares will not give rise to a major disposal. For the purpose of compliance, the Company will either discontinue further disposals or adhere to any additional requirements under the Listing Rules, including seeking approval from the shareholders, if requires, before proceeding with further disposals of the NWM Shares which will give rise to a major disposal.

ADDITIONAL INFORMATION

Your attention is drawn to the general information set out in the appendix to this circular.

Yours faithfully,
By Order of the Board
Mongolia Energy Corporation Limited
Tang Chi Kei
Company Secretary

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in the shares, underlying shares (within the meaning of Part XV of the SFO) or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the Shares

Name of Director	Capacity	Number of Shares interested	Approximate percentage of shareholding
Mr. Lo Lin Shing, Simon ("Mr. Lo")	Beneficial owner/ Interest of a controlled corporation	1,168,912,301 (Note)	44.67%
Ms. Yvette Ong	Beneficial owner	1,790,000	0.06%
Mr. To Hin Tsun, Gerald	Beneficial owner	3,000,000	0.11%
Mr. Peter Pun	Beneficial owner	995,000	0.03%
Mr. Tsui Hing Chuen, William	Beneficial owner	500,000	0.01%
Mr. Lau Wai Piu	Beneficial owner	601,200	0.02%

Note: Among the 1,168,912,301 Shares, 4,960,000 Shares represent interest of Mr. Lo on an individual basis; while 1,163,952,301 Shares represent interest of Golden. Accordingly, Mr. Lo is deemed to be interested in the Shares in which Golden is interested by virtue of the SFO. The 1,163,952,301 Shares which Golden is interested comprise, 383,952,301 Shares held by Golden and 780,000,000 Shares which will be issued to Golden upon completion of a subscription agreement dated January 30, 2007 entered into between the Company and Golden.

Long positions in underlying Shares

As at the Latest Practicable Date, the following Directors had personal interests in share options of the Company granted under the share option scheme adopted by the Company on August 28, 2002:

Name of Director	Exercise price HK\$	Exercisable period	Number of underlying Shares interested
Mr. Lo Lin Shing, Simon	0.1695	March 1, 2005 to February 28, 2012	1,157
Ms. Yvette Ong	0.1695	March 1, 2005 to February 28, 2012	41
Mr. To Hin Tsun, Gerald	0.1695	March 1, 2005 to February 28, 2012	744
Mr. Peter Pun	0.1695	March 1, 2005 to February 28, 2012	1,116
Mr. Lau Wai Piu	0.1695	March 1, 2005 to February 28, 2012	1,116

As at the Latest Practicable Date, save as disclosed above, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules to be notified to the Company and the Stock Exchange.

(b) Substantial shareholders

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had an interest or short position in the Shares or/and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group were as follows:

Name of Shareholder	Long Position in Shares/Underlying Shares	Short Position in Shares/Underlying Shares	Capacity	Approximate percentage of the Company's total issued share capital
Mr. Liu Cheng Lin ("Mr. Liu")	1,625,000,000 (Note 1)	–	Interest of a controlled corporation	62.10%
Puraway Holdings Limited ("Puraway")	1,625,000,000 (Note 1)	–	Corporate	62.10%
Madam Ku Ming Mei, Rouisa	1,168,913,458 (Note 2)	–	Interest of spouse	44.67%
Golden Infinity Co., Ltd.	1,163,952,301	–	Corporate	44.48%
Taifook (BVI) Limited	1,100,000,000 (Note 3)	1,100,000,000 (Note 3)	Interest of a controlled corporation	42.04%(L) 42.04%(S)
Taifook Finance Company Limited	1,100,000,000 (Note 3)	1,100,000,000 (Note 3)	Interest of a controlled corporation	42.04%(L) 42.04%(S)
Taifook Securities Company Limited	1,100,000,000 (Note 3)	1,100,000,000 (Note 3)	Corporate	42.04%(L) 42.04%(S)
Taifook Securities Group Limited	1,100,000,000 (Note 3)	1,100,000,000 (Note 3)	Interest of a controlled corporation	42.04%(L) 42.04%(S)

Name of Shareholder	Long Position in Shares/Underlying Shares	Short Position in Shares/Underlying Shares	Capacity	Approximate percentage of the Company's total issued share capital
Dr. Cheng Kar Shun	362,500,000 (Note 4)	–	Interest of a controlled corporation/ Interest of spouse	13.85%
Dragon Noble Group Limited (“Dragon”)	312,500,000 (Note 4)	–	Corporate	11.94%
Ms. Ip Mei Hing	362,500,000 (Note 4)	–	Interest of a controlled corporation/ Interest of spouse	13.85%
Mr. Law Ka Keung	341,666,666 (Note 5)	–	Interest of a controlled corporation	13.05%
Keswick Agents Limited (“Keswick”)	341,666,666 (Note 5)	–	Corporate	13.05%
Mr. Cheng Yu Tung	220,000,000 (Note 6)	–	Interest of a controlled corporation	8.40%
Chow Tai Fook Nominee Limited (“CTF”)	220,000,000 (Note 6)	–	Corporate	8.40%
Mr. Han Yuanlin	210,493,478 (Note 7)	–	Interest of a controlled corporation	8.04%
Visionary Profits Limited (“Visionary Profits”)	210,493,478 (Note 7)	–	Corporate	8.04%
Mr. Ng Chun Ping, Brendan	194,444,442 (Note 8)	–	Interest of a controlled corporation	7.43%
Better Year Investments Limited (“Better Year”)	194,444,442 (Note 8)	–	Corporate	7.43%
The Goldman Sachs Group, Inc.	340,640,000	330,000,000	Corporate	13.02%(L) 12.61%(S)

Notes:–

1. Mr. Liu Cheng Lin is interested in the entire issued share capital of the Puraway. By virtue of the SFO, he is deemed to be interested in the 1,625,000,000 new Shares to be issued upon completion of the acquisition agreement dated January 30, 2007 entered into between the Company and inter alia Mr. Liu (the “Acquisition Agreement”). The 1,625,000,000 new Shares to be issued to the Puraway represents 1,125,000,000 new Shares and 500,000,000 underlying Shares which may be issued upon conversion of the 3% convertible bond of the Company with maturity on the third anniversary from the date of the issue of the convertible bond, as part of the consideration deferred under the Acquisition Agreement.
2. Ms. Ku Ming Mei, Rouisa is the spouse of Mr. Lo and accordingly, she is deemed to be interested in 1,168,913,458 Shares under the SFO.
3. The Shares represent the number of Shares agreed to be underwritten by Taifook Securities Company Limited (“Taifook Securities”) pursuant to the placement agreement dated January 30, 2007. Taifook Securities Group Limited is interested in the entire issued share capital of Taifook (BVI) Limited. Taifook (BVI) Limited is interested in the entire issued share capital of Taifook Finance Company Limited. Taifook Finance Company Limited is interested in the entire issued share capital of the Taifook Securities. By virtue of the SFO, each of Taifook Securities Group Limited, Taifook (BVI) Limited and Taifook Finance Company Limited is deemed to be interested in the Shares Tai Fook Securities is interested in.
4. Dr. Cheng Kar Shun is interested in the entire issued share capital of Dragon. By virtue of the SFO, he is deemed to be interested in the 312,500,000 Shares held by Dragon and the 200,000,000 new Shares to be issued to Dragon upon completion of the subscription agreement dated January 30, 2007, entered into between Dragon and the Company. The 50,000,000 Shares are owned by Madam Ip Mei Hing, the spouse of Dr. Cheng Kar Chun.
5. Mr. Law Ka Keung is interested in the entire issued share capital of Keswick. By virtue of the SFO, he is deemed to be interested in the 166,666,666 Shares held by Keswick and the 175,000,000 Shares which was interested by Keswick as a sub–underwriter of the placing agreement dated January 30, 2007 entered into between Taifook Securities and the Company.
6. Mr. Cheng Yu Tung is interested in the entire issued share capital of CTF. By virtue of the SFO, he is deemed to be interested in the 20,000,000 Shares held by CTF and the 200,000,000 new shares to be issued to CTF upon completion of the subscription agreement dated January 30, 2007 entered into between CTF and the Company by virtue of the SFO.
7. Mr. Han Yuanlin is interested in the entire issued share capital of Visionary Profits. By virtue of the SFO, Mr. Han Yuanlin is deemed to be interested in the 210,493,478 Shares held by Visionary Profits.
8. Mr. Ng Chun Ping, Brendan is interested in the entire issued share capital of Better Year. By virtue of the SFO, he is deemed to be interested in the 194,444,442 Shares held by Better Year.

Abbreviations:–

“L” stands for long position

“S” stands for short position

As at the Latest Practicable Date, save as disclosed above, so far as was known to the Directors, no other person had, or was deemed or taken to have an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing and proposed service contract with any member of the Group other than contracts expiring or determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

4. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

5. COMPETING INTERESTS

As at the Latest Practicable Date, to the best knowledge of the Directors, none of the Directors and their respective associates were considered to have any interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or the Group.

6. GENERAL

1. The secretary of the Company is Mr. Tang Chi Kei, *CPA*. The qualified accountant of the Company is Mr. Kwok Ying Tung, Daniel, *ACCA*.
2. The principal place of business of the Company in Hong Kong is at Rooms 1502-5, New World Tower 1, 16-18 Queen's Road Central, Hong Kong.
3. The branch share registrar and transfer office of the Company in Hong Kong is Standard Registrars Limited at Level 28, Three Pacific Place, 1 Queen's Road East, Hong Kong.
4. The English text of this circular shall prevail over its Chinese text.