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MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

ANNOUNCEMENT

MEC INITIAL ACQUISITION IN XINJIANG, PRC RELATING TO COPPER, TIN & MULTI-METALS RESOURCES WITH EXPLORED TUNGSTEN AND TIN RESOURCES AND UNWINDING OF JOINT VENTURE TIMING FOR COMPLETION

MEC refers to the announcements of 29 May 2009, 30 October 2009 and 29 January 2010. It was reported that the application of the Mining Licence is progressing and further time is required to obtain the Mining Licence. Mr. Liu sought a further extension of time for completion of the Transaction to on or before 31 March, 2011 to allow time for the process and issue of the Mining Licence while at the same time MEC could retain, as a business matter, discretion on completion of the Transaction. MEC agreed to grant the extension for the Transaction.

MEC refers to the announcements of 29 May 2009, 30 October 2009 and 29 January, 2010. It was reported by Mr. Liu Cheng Lin that the application of the Mining Licence by the Concession Owner is progressing and further time is required to obtain the Mining Licence from the Ministry of Land and Resources of the People's Republic of China (中華人民共和國國土資源部).

According to the copies of the correspondence from the National Land and Resources Bureau of Xinjiang Uygur Autonomous Region (新疆維吾爾自治區國土資源廳) as provided by Mr. Liu, the Concession Area under the Transaction is located within the prime exploration district which received development and support under the co-operative agreement entered into between the Ministry of Land and Resources and the People's Government of the Xinjiang Uygur Autonomous Region. It also stated that application of the Mining Licence could be made in accordance with the requirements under the 2010 Notice of the Ministry of Land and Resources Relating to the Mining Quantity Control Direction on Tungsten, Antimony and Rare Earth.

Mr. Liu has sought an extension of time from MEC to on or prior to 31 March, 2011 on the condition that MEC could retain, as a business matter, a discretion on completion of the Transaction.

Aside from the Transaction related rationale set out under the announcement of May 29, 2009, the Directors (including Independent Non-executive Directors) believe that based on the progress information as reported by Mr. Liu and that the completion is a discretion and not an obligation for MEC when the Mining Licence is obtained, an extension of time to on or prior to 31 March 2011 to allow for the process and issue of the Mining Licence is fair and reasonable and is in the interest of MEC and the Shareholders as a whole. MEC accordingly granted such an extension for the Transaction.

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

Hong Kong, 30 September 2010

As at the date hereof, the Board comprises seven Directors, of which Mr. Lo Lin Shing, Simon Mr. Liu Zhuo Wei, and Ms. Yvette Ong are executive Directors, Mr. To Hin Tsun, Gerald is a non-executive Director and Mr. Peter Pun ^{OBE, JP}, Mr. Tsui Hing Chuen, William ^{JP} and Mr. Lau Wai Piu are independent non-executive Directors.