



MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

ANNOUNCEMENT

**COMPLETION OF ACQUISITION OF 25% OF XINJIANG KAIYUE YUAN
UNUSAL PRICE MOVEMENT**

Completion of acquisition of 25% of Xinjiang Kaiyue Yuan

MEC refers to its announcements of September 25, 2008 and October 29, 2008 and the expressions and definitions therein.

MEC is pleased to announce that following negotiations and discussions which took place in Beijing on October 29, 2008 and October 30, 2008, respectively, MEC has entered a supplement (the "**Supplement**") to the Acquisition Agreement on October 30, 2008 with the parties to the Acquisition Agreement.

The Supplement amends the Consideration for the acquisition of 25% Xinjiang Kaiyue Yuan and related shareholder's loan based on the existing verified capital amount of Xinjiang Kaiyue Yuan which stands at RMB150.02 million.

MEC is also pleased to announce that the other conditions precedent for the acquisition of the 25% of Xinjiang Kaiyue Yuan and the related shareholder's loan have been satisfied and MEC has paid the Consideration of RMB37.505 million today. Accordingly, the acquisition has now been completed.

MEC will pursue further negotiations to finalize the two joint ventures with the two Geological Bureaus for a 20% stake in a targeted 2 billion tonnes of coal resources in Xinjiang, PRC. MEC will announce the further details as to the resources following the establishment of the respective joint ventures upon receipt of the relevant completed technical information.

Unusual price movement

MEC has noted the recent increase in the price of the shares of MEC and wish to state that MEC is not aware of any reasons for such increase.

Apart from the above, the board of directors (the "**Board**") confirm that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under rule 13.23 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), and neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

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

Hong Kong, October 30, 2008.

As at the date hereof, the Board comprises seven Directors, of which Mr. Lo Lin Shing, Simon, Mr. Liu Zbuo 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 Pin are independent non-executive Directors.