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MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

(1) CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION OF THE GI CONVERTIBLE NOTE; AND (2) WHITEWASH WAIVER IN RELATION TO THE GI CONVERTIBLE NOTE – COMPLETION OF THE SUBSCRIPTION OF THE GI CONVERTIBLE NOTE

The Board is pleased to announce that completion of the Subscription took place on 6 September 2010.

Reference is made to the circular of the Company dated 30 July 2010 (the “GI Circular”) and the announcement of the Company dated 30 August 2010 relating to (1) the proposed subscription of the GI Convertible Note by the Subscriber; and (2) the Whitewash Waiver. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the GI Circular.

COMPLETION OF THE SUBSCRIPTION AND THE ISSUE OF THE GI CONVERTIBLE NOTE

The Board is pleased to announce that completion of the Subscription took place on 6 September 2010, and the GI Convertible Note in the aggregate principal amount of HK\$300,000,000 was issued by the Company to the Subscriber on 6 September 2010 pursuant to the Subscription Agreement.

As at the date of this announcement, the Concert Group in aggregate holds 1,820,409,301 Shares, representing approximately 29.83% of the existing total voting rights of the Company. Upon full conversion of the HK\$300,000,000 principal amount of the GI Convertible Note at the initial GI Conversion Price and assuming there being no other change to the share capital and shareholding structure of the Company from the date of this announcement up to full conversion of the GI Convertible Note, the Concert Group will in aggregate hold 1,895,409,301 Shares, representing approximately 30.68% of the total voting rights attaching to the enlarged issued share capital of the Company.

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

Hong Kong, 6 September 2010

As at the date of this announcement, 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.

As at the date of this announcement, Mr. Lo Lin Shing, Simon is the sole director of the Subscriber.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Subscriber) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The sole director of the Subscriber accepts full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.