



# **MONGOLIA ENERGY CORPORATION LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 276)

**EXPLORATION WORK PROGRESS REPORT  
BY TEAM 129 OF CHINA COAL GEOLOGY BUREAU  
OVER 300 HECTARES OUT OF 34,000 HECTARES  
(AROUND 1/3rd THE SIZE OF HONG KONG SAR)  
OF CONCESSION AREAS IN WESTERN MONGOLIA  
WITH AN ESTIMATED 2.4 BILLION TONNES OF COAL RESOURCES  
SUMMARY : 300 HECTARES CONTAIN 340.28 MILLION TONNES OF COAL  
RESOURCES WITH CERTAIN AMOUNT OF COKING COAL  
AND EXPLORATION WORK CONTINUES**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

## **EXPLORATION WORK PROGRESS REPORT**

The Company (“MEC”) is pleased to announce that it has received and reviewed today an exploration work progress report from Team 129 of the China Coal Geology Bureau (“**Team 129**”) over an initial exploration area of 300 hectares out of 34,000 hectares (around 1/3rd the size of Hong Kong SAR) of the concessions areas in western Mongolia, with an estimated 2.4 billion tonnes of coal resources, summarizing the work progress by Team 129 up till August 14, 2007.

## **SUMMARY OF INITIAL EXPLORATION WORK**

In summary, the initial exploration area of 300 hectares out of 34,000 hectares (around 1/3rd the size of Hong Kong SAR) of the concessions areas in western Mongolia contains 340.28 million tonnes of coal resources. Further, there is certain amount of coking coal. The coal is currently being sampled for further analytical data in the usual course of exploration.

## **FURTHER EXPLORATION WORK**

Team 129 is in the process of expanding the exploration work areas to the adjacent areas of around 4,000 hectares for further coal resources. MEC will report any further work progress report and closing of the acquisition is anticipated in due course.

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### **PRINCIPAL ACTIVITIES OF MEC**

MEC, formerly known as New World Cyberbase Limited, was established in August 1999 and headquartered in Hong Kong. Through the purchase of concessions in western Mongolia, MEC is in a strong position to capitalize on the demands of China, including for coal, coal products and energy along with other resources (including ferrous and non-ferrous metal resources). MEC has already acquired the exploration concessions of around 32,000 hectares (around 1/3rd the size of Hong Kong SAR) as detailed under MEC’s circular of June 25, 2007 for coal, ferrous and non-ferrous metal resources. MEC is in the process of acquiring further exploration and mining concessions of around 34,000 hectares (another around 1/3rd the size of Hong Kong SAR) as detailed under MEC’s circulars of March 22, 2007 and June 25, 2007, subject to an initial 300 million tonnes of coal resources being demonstrated by MEC, which has now been done by Team 129 and closing is anticipated in due course. The estimates, subject to MEC’s exploration, based on previous Soviet geologists information, is that the combined concessions which MEC has acquired and is acquiring have a combined coal resources of between 3.4 billion to 4.4 billion tonnes along with other ferrous and non-ferrous metal resources of which 340.28 million tonnes of coal resources have been demonstrated.

MEC by its announcement of August 13, 2007 has also indicated that it may have the opportunity to take an interest in investments in power and resources projects in Xinjiang, PRC which MEC believes has synergy to MEC's energy and resources business in Mongolia over the concessions acquired and being acquired in Mongolia.

In addition, the Group is also engaged in property investments in Hong Kong and aircraft charter services which MEC will continue to engage in.

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

Hong Kong, August 24, 2007.

*As at the date hereof, the Board comprises six Directors, of which Mr. Lo Lin Shing, Simon 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.*

Please also refer to the published version of this announcement in China Daily and South China Morning Post.