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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 announcement of May 29, 2009. MEC is pleased to announce that the Concession Owner has secured authorization 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) to proceed with the formalities for applying for the Mining Licence. MEC will provide three months to January 31, 2010 to allow for the formalities to be complied with, while at the same time retain, as a business matter, a discretion on completion of the transaction.

MEC refers to the announcement of May 29, 2009 and definitions herein are as defined therein. MEC is pleased to announce that the Concession Owner has secured authorization 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) to proceed with the formalities for applying for the Mining Licence.

MEC will provide three months to January 31, 2010 to allow for the formalities to be complied with, while at the same time retain, as a business matter, a discretion on completion of the transaction. This is set out under the extension request of Mr. Liu to MEC dated October 28, 2009 and acceded to by MEC today.

The Directors (including independent non-executive directors) believes that based on the local authorization to proceed with the application of a Mining Licence, and the retention of the discretion on completion of the Transaction, that the extension is in the interest of MEC and its shareholders as a whole. This is aside from the Transaction related rationale set out under the announcement of May 29, 2009 which remains unchanged.

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

Hong Kong, October 30, 2009

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.