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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 May 29 and October 30 2009. It was reported that the application of the Mining Licence is progressing and further time is required to obtain the Mining Licence. The Independent Financial Adviser has advised that an extension of time to allow for the process and issue of the Mining Licence, while at the same time for MEC to retain, as a business matter, discretion on completion of the Transaction with a timeline of September 30, 2010, is fair and reasonable. The Company accordingly granted such an extension for the Transaction.

MEC refers to the announcements of May 29 and October 30 2009. 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 following the 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 the concession owner to proceed with the formalities for applying for the Mining Licence as set out under the announcement of October 30, 2009.

Mr. Liu has sought an extension of time from MEC to on or prior to September 30, 2010 on the condition that MEC could retain, as a business matter, a discretion on completion of the Transaction. The Independent Financial Adviser has advised the Independent Non-Executive Directors of MEC that, as 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 September 30, 2010 to allow for the process and issue of the Mining Licence is fair and reasonable.

The Directors (including Independent Non-executive Directors) believes that based on the information as reported by Mr. Liu and on the opinion of the IFA mentioned above, an extension of time to on or prior to September 30, 2010 is in the interest of MEC and the Shareholders as a whole. This is aside from the Transaction related rationale set out under the announcement of May 29, 2009 which remains unchanged. The Company accordingly granted such an extension for the Transaction.

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

Hong Kong, January 29, 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 <sup>OBE, JP</sup>, Mr. Tsui Hing Chuen, William <sup>JP</sup> and Mr. Lau Wai Pin are independent non-executive Directors.*