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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 GI CONVERTIBLE NOTE; AND (2) WHITEWASH WAIVER IN RELATION TO THE GI CONVERTIBLE NOTE — DESPATCH OF CIRCULAR**

The Circular containing, among other things, (i) details of the Subscription and the Whitewash Waiver; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Subscription and the Whitewash Waiver; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription and the Whitewash Waiver; and (iv) the notice of the SGM, will be despatched to the Shareholders on 30 July 2010.

Reference is made to the announcement (the “Announcement”) of Mongolia Energy Corporation Limited (the “Company”) dated 29 April 2010 in relation to the proposed subscription of the GI Convertible Note by the Subscriber and the Whitewash Waiver. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The circular (the “Circular”) containing, among other things, (i) details of the Subscription and the Whitewash Waiver; (ii) the letter of recommendation from the independent board committee of the Company (the “Independent Board Committee”) to the Independent Shareholders in relation to the Subscription and the Whitewash Waiver; (iii) the letter of advice from the independent financial adviser (the “Independent Financial Adviser”) to the Independent Board Committee and the Independent Shareholders in relation to the Subscription and the Whitewash Waiver; and (iv) the notice of the SGM, will be despatched to the Shareholders on 30 July 2010.

Shareholders are advised to read the Circular, including the letter of recommendation from the Independent Board Committee and the letter of advice from the Independent Financial Adviser, carefully before making their voting decisions in relation to the resolutions approving the transactions contemplated under the Subscription Agreement and the Whitewash Waiver.

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

Hong Kong, 29 July 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.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement 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.*