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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 — RESULTS OF SPECIAL GENERAL MEETING**

The Board is pleased to announce that the proposed ordinary resolutions approving the transactions contemplated under the Subscription Agreement and the Whitewash Waiver were duly passed by the Independent Shareholders by way of poll at the SGM held on 30 August 2010.

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

### **RESULTS OF THE SGM**

The Board is pleased to announce that the proposed ordinary resolutions approving the transactions contemplated under the Subscription Agreement and the Whitewash Waiver as set out in the notice of the SGM (the “Resolutions”) were duly passed by the Independent Shareholders by way of poll at the SGM held on 30 August 2010. The result of the voting is as follows:

Ordinary Resolutions ( <i>Note</i> )	Number of Shares represented by votes (approximate % based on total number of votes cast)	
	For	Against
1. To approve the transactions contemplated under the Subscription Agreement.	2,777,885,851 (99.99%)	246,000 (0.01%)
2. To approve the Whitewash Waiver.	2,777,885,851 (99.99%)	246,000 (0.01%)

*Note:* The full text of the Resolutions was set out in the notice of the SGM dated 30 July 2010.

As more than 50% of the votes were cast in favour of each of the Resolutions, the Resolutions were duly passed as ordinary resolutions of the Company.

As at the date of the SGM, the total number of Shares in issue was 6,103,547,828.

As stated in the GI Circular, members of the Concert Group and their respective associates and those who are involved or interested in the Subscription or the Whitewash Waiver will abstain from voting on the Resolutions. So far as is known to the Company having made all reasonable enquiries, as at the date of the SGM, members of the Concert Group and their respective associates and those who are involved or interested in the Subscription or the Whitewash Waiver were beneficially interested in an aggregate of 1,820,409,301 Shares, representing approximately 29.83% of the entire existing issued share capital of the Company. The aforesaid persons did abstain from voting on the Resolutions at the SGM. Accordingly, the total number of Shares entitling the Shareholders to attend and vote for or against the Resolutions was 4,283,138,527 Shares. There were no Shares entitling the holders to attend and vote only against the Resolutions.

The Company's branch share registrar in Hong Kong, Tricor Standard Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, was appointed as the scrutineer at the SGM held on 30 August 2010 for the purpose of the vote-taking.

## SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, there are outstanding (i) the 2008 Puraway Convertible Bond which was issued to Puraway Holdings Limited pursuant to the transactions as set out in the announcement of the Company dated 7 February 2007 and (ii) the 2008 CTF Convertible Note issued to CTF Nominee which was the subject of the announcement of the Company dated 1 February 2008. As at the date of this announcement, there are also outstanding share options granted by the Company under its share option scheme to the directors and employees of the Group to subscribe for an aggregate of 21,550,670 Shares (including options to Mr. Lo to subscribe for 6,000,000 Shares). Save as disclosed above, as at the date of this announcement, there are no other outstanding options, warrants, derivatives, or other securities which carry rights to subscribe for or be converted into Shares. There may also fall to be issued up to a maximum of 100,000,000 new Shares to Mr. Liu Cheng Lin following completion of the acquisition which was the subject of the circular of the Company dated 31 October 2008.

The table below illustrates the shareholding structure of the Company as at the date of this announcement and the shareholding structures of the Company under the following scenarios (assuming that there is no other change in the issued share capital and shareholding structure of the Company from the date of this announcement up to the occurrence of the events mentioned below):

- (A) immediately after full conversion of the GI Convertible Note at the initial GI Conversion Price;
- (B) immediately after full conversion of the 2008 CTF Convertible Note at the initial conversion price of HK\$7.3 per Share;
- (C) immediately after full conversion of the GI Convertible Note at the initial GI Conversion Price and full conversion of the 2008 CTF Convertible Note at the initial conversion price of HK\$7.3 per Share; and
- (D) immediately after full conversion of the GI Convertible Note at the initial GI Conversion Price, full conversion of the 2008 CTF Convertible Note at the initial conversion price of HK\$7.3 per Share, full conversion of the 2008 Puraway Convertible Bond at the initial conversion price of HK\$0.285 per Share, exercise of all the existing outstanding share options of the Company granted pursuant to the Company's share option scheme and issue of 100,000,000 new Shares (being the maximum number of Shares that may be issued to Mr. Liu Cheng Lin following completion of the acquisition which was the subject of the circular of the Company dated 31 October 2008).

Shareholders	As at the date of this announcement		Scenario A		Scenario B		Scenario C		Scenario D	
	Number of Shares	% (approximately)	Number of Shares	% (approximately)	Number of Shares	% (approximately)	Number of Shares	% (approximately)	Number of Shares	% (approximately)
<b>The Concert Group</b>										
The Subscriber and its associates	1,200,739,301	19.67	1,275,739,301	20.65	1,200,739,301	18.83	1,275,739,301	19.77	1,281,739,301	18.12
CTF Nominee and its associates	225,000,000	3.69	225,000,000	3.64	498,972,602	7.82	498,972,602	7.73	498,972,602	7.05
Dragon Noble Group Limited and its associates	394,670,000	6.47	394,670,000	6.39	394,670,000	6.19	394,670,000	6.12	394,670,000	5.58
<b>Subtotal</b>	<b>1,820,409,301</b>	<b>29.83</b>	<b>1,895,409,301</b>	<b>30.68</b>	<b>2,094,381,903</b>	<b>32.84</b>	<b>2,169,381,903</b>	<b>33.62</b>	<b>2,175,381,903</b>	<b>30.75</b>
Puraway Holdings Limited and Mr. Liu Cheng Lin	925,000,000	15.15	925,000,000	14.97	925,000,000	14.50	925,000,000	14.34	1,525,000,000	21.56
Other directors of the Group (other than Mr. Lo and his associates)	7,283,200	0.12	7,283,200	0.12	7,283,200	0.12	7,283,200	0.11	10,283,349	0.14
Public Shareholders	3,350,855,327	54.90	3,350,855,327	54.23	3,350,855,327	52.54	3,350,855,327	51.93	3,363,405,848	47.55
<b>Total</b>	<b>6,103,547,828</b>	<b>100.00</b>	<b>6,178,547,828</b>	<b>100.00</b>	<b>6,377,520,430</b>	<b>100.00</b>	<b>6,452,520,430</b>	<b>100.00</b>	<b>7,074,071,100</b>	<b>100.00</b>

## THE WHITEWASH WAIVER

The Executive has granted the Whitewash Waiver subject to the issue of new securities being approved by a vote of the Independent Shareholders at the SGM, to be taken on a poll, and no acquisition or disposal of voting rights being made by the Subscriber and its concert parties between the Announcement and the completion of the Subscription. The transactions contemplated under the Subscription Agreement and the Whitewash Waiver have been approved by the Independent Shareholders at the SGM. Further announcement will be made by the Company upon completion of the Subscription.

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

Hong Kong, 30 August 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.*