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MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

CLARIFICATION ANNOUNCEMENT

Further to the clarification announcement of September 17, 2007 by the Company (“MEC”), the Board of Directors is aware of two further media reports at finet.hk and NOW TV respectively on September 18, 2007 which may be found at their respective websites. The reports are inconsistent and inconclusive as to whether the list of state-owned enterprises are exhaustive as referred therein. This will likely be an issue in the litigation under High Court Action No. 1969 of 2007. The Board of Directors have further reviewed the due diligence work both prior to the entry into the Co-operation Letters of Intent and after the initial publication of finet.hk on September 13, 2007 and the actual chops and names therein under the Co-operation Letters of Intent along with an analysis of the above media reports, and the Board of Directors sees no change or need to supplement or further clarify the contents of the announcement of September 17, 2007 which the reader of this announcement is asked to refer to. In view of the on-going litigation, the Board of Directors is not minded to comment further on any articles in relation to the above referred action, which may be sub-judice. Despite the conflicting messages under the above media reports, the Board of Directors has no other information to draw to the attention of the shareholders under Rule 13.09 of the Listing Rules and has no concern relating to there being any false market for trading of shares of MEC.

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

Hong Kong, September 18, 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.