

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**MONGOLIA ENERGY CORPORATION LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 276)**

**ANNOUNCEMENT PURSUANT TO RULE 13.09(1) OF THE LISTING RULES**

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Company refers to its announcement dated 11 September 2012 in relation to, among other matters, the contractual dispute with Leighton. On 9 October 2012, the Company received a statutory demand under the Companies Ordinance from Leighton in respect of amounts which Leighton alleges are payable by the Company under the Khushuut Coal Mine mining agreement between MoEnCo LLC and Leighton.

The Company has instructed legal advisers to contest the demand and to handle all other legal issues arising with Leighton in connection with the dispute, including failings on the part of Leighton to meet the scope of services provided for under the mining agreement.

It is anticipated that Leighton will issue a formal notice to terminate the mining agreement shortly. In light of this, the Company has invited tenders from alternative contractors in Mongolia for the provision of coal extraction services at the Khushuut Coal Mine.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Company refers to its announcements dated 3 September and 11 September 2012 respectively. Capitalized terms in this announcement shall have the same meanings as those defined in the aforesaid announcements, unless otherwise stated.

As disclosed in the Company’s announcement dated 11 September 2012, the Company disputes the level of contractor’s fees invoiced by Leighton and the scope of services provided by Leighton under the Khushuut Coal Mine mining agreement.

On 9 October 2012, the Company received a statutory demand under the Companies Ordinance from Leighton for the sum of MNT14,798,549,342 (approximately US\$10,642,610 or HK\$82,504,174). Leighton alleges that this sum is payable by the Company on behalf of MoEnCo LLC in the Company’s capacity as guarantor under the Khushuut Coal Mine mining agreement.

The Company has instructed legal advisers to contest the demand and to handle all other legal issues arising with Leighton in connection with the dispute, including failings on the part of Leighton to meet the scope of services provided for under the mining agreement.

The Company anticipates that Leighton will issue a formal notice to terminate the mining agreement shortly and has invited tenders from alternative contractors in Mongolia for the provision of coal extraction services at the Khushuut Coal Mine. The Company will select the most suitable contractor to provide coal extraction services by considering factors including its experience, expertise and the contract price tendered.

In view of the anticipated change of mining contractor at the Khushuut Coal Mine, the Company anticipates there will be a disruption in coal production for a short period of time. The Company targets to resume coal extraction by December this year. The Company is continuing with its other operations including the dry coal processing system project and the wash plant project in Xinjiang, the People's Republic of China.

As a result of a change of mining contractor, the mining plan for the Khushuut Coal Mine may be subject to change which may affect the valuation of the Group's mining assets. At this preliminary stage, the Company does not have sufficient particulars to conduct the review under the Company's accounting policies.

The Company will closely monitor the above events and will make further appropriate announcements as necessary.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 10 October 2012

*As at the date hereof, the Board comprises seven Directors, of which Mr. Lo Lin Shing, Simon, Ms. Yvette Ong and Mr. Liu Zhuo Wei 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 Piu are Independent Non-executive Directors.*