



MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 276)

SPECIAL GENERAL MEETING RESULTS & CLOSING OF ACQUISITION IN WESTERN MONGOLIA

**of mine areas of around 32,000 hectares
(approximately 1/3rd the size of Hong Kong)
with coal resources estimated at between 1 to 2 billion tonnes
along with other ferrous resources and non-ferrous resources
subject to exploration for eventual commercial exploitation**

CLOSING OF ACQUISITION IN WESTERN MONGOLIA

The Company (MEC) is pleased to announce that following the sanction, by the special general meeting of the shareholders of MEC on July 16, 2007, as set out below, all conditions precedent for the closing of the Further Acquisition of the Further Mine Areas of around 32,000 hectares (approximately 1/3rd the size of Hong Kong) with coal resources estimated at between 1 to 2 billion tonnes along with other ferrous resources and non-ferrous resources have been satisfied and MEC has closed the acquisition and acquired all titles and possession to the Further Mine Areas, through MoEnCo LLC, a wholly owned subsidiary established in Mongolia on the same date. Accordingly, MEC is the owner of the four Exploration Licences and related resources over the Further Mine Areas which can eventually be converted into 70-year mining concessions in accordance with the Minerals Law.

SPECIAL GENERAL MEETING RESULTS

The Directors also pleased to announce that the Resolutions to approve the Supplement and the Further Agreement (collectively the “Transactions”) were duly passed by the Shareholders at the SGM held on July 16, 2007 by way of poll.

Reference is made to the announcement of the Company dated May 30, 2007 and the circular of the Company dated June 25, 2007 (the “**Circular**”) in relation to, among others, the Further Acquisition. Terms used in this announcement shall have the same meanings as those defined in the Circular unless the context requires otherwise.

CLOSING OF THE FURTHER ACQUISITION IN WESTERN MONGOLIA OF FURTHER MINE AREAS OF AROUND 32,000 HECTARES

The Company (MEC) is pleased to announce that following the sanction, by the special general meeting of the shareholders of MEC on July 16, 2007, as set out below, all conditions precedent for the closing of the Further Acquisition of the Further Mine Areas of around 32,000 hectares (approximately 1/3rd the size of Hong Kong) with coal resources along with other ferrous resources and non-ferrous resources have been satisfied and MEC has closed the acquisition and

acquired all titles and possession to the Further Mine Areas, through MoEnCo LLC, a wholly owned subsidiary established in Mongolia on the same date. Accordingly, MEC is the owner of the four Exploration Licences and related resources over the Further Mine Areas which can eventually be converted into 70-year mining concessions in accordance with the Minerals Law.

The Science Academy under the Institute of Geology and Mineral Resources of Mongolia confirmed that based on the Russian geologist's geological assessment of most of the Further Mine Areas conducted during the 1960's that there are between 1 billion to 2 billion tonnes of Coal Resources. This estimate is subject to Exploration. As disclosed in the Announcement and the Circular, the Group will carry out Exploration over the Further Mine Areas as soon as possible.

SPECIAL GENERAL MEETING RESULTS

The Directors are pleased to announce that at the SGM held on July 16, 2007, the resolutions to approve the Transactions (the "Resolution(s)") were duly passed by the Shareholders at the SGM by way of poll.

The total number of Shares entitling the Shareholders to attend and vote for or against the Resolutions at the SGM is 2,616,362,363 Shares, representing 100% of the entire issued share capital of the Company as at the date of this announcement. None of the Shares entitled the holders to attend and vote only against the Resolutions at the SGM. Each of Golden, Dragon, CTF, Seller's Group Members and the Seller's Group Members under the Initial Acquisition and their respective beneficial owners and their respective associates voluntarily abstained from voting in all Resolutions.

The voting results of the poll taken at the SGM in respect of the Resolutions are set out below:–

Ordinary Resolutions	For		Against	
	<i>Number of Shares</i>	<i>Percentage</i>	<i>Number of Shares</i>	<i>Percentage</i>
Resolution No. 1	1,365,177,628	100%	Nil	–
Resolution No. 2	1,365,177,628	100%	Nil	–

Notes:–

1. The full text of the Resolutions proposed at the SGM were set out in the notice of the SGM dated June 25, 2007, a copy of which is set out in the Circular.
2. The number of votes and percentage is based on the total number of Shares held by the Shareholders who voted at the SGM in person (or where a corporate representative is allowed, by a duly authorized corporate representative) or by proxy.

The Company's branch share registrar in Hong Kong, Standard Registrars Limited, was appointed as the scrutineer in the SGM for the purpose of vote-taking.

PROGRESS OF EXPLORATION OVER INITIAL MINE AREAS

The progress of the exploration of the Initial Mine Areas, with coal resources estimated at 2.4 billion tonnes is set out under MEC's website of www.mongola-energy.com under "Development Progress". Please also see the Circular for further details which can be found at the same website.

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

Hong Kong, July 16, 2007

As at the date of this announcement, the Board comprises Mr. Lo Lin Shing, Simon and Ms. Yvette Ong are executive Directors, and 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.

Please also refer to the published version of this announcement in China Daily and South China Morning Post.