



MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

UPDATE ON JOINT VENTURE ACQUISITION OF ENERGY AND RELATED RESOURCES PROJECTS IN XINJIANG, CHINA

Update on the joint venture acquisition of energy and related resources projects in Xinjiang, China

Mongolia Energy Corporation Limited (“MEC”) refers to the announcement of August 31, 2007 relating to the establishment of a joint venture company to acquire energy and related resources projects in Xinjiang, China with MEC’s stake set initially at 20%, subject to adjustments, as referred under the announcement.

As an update, the parties are in discussions relating to the acquisition of a potential project and MEC’s stake therein. MEC will endeavour to conclude the discussions shortly and to issue a further announcement in due course. Further update is expected within three month’s time.

CAUTION WHEN DEALING IN THE SHARES OF MEC

As there is no assurance relating to an acquisition, shareholders and investors of MEC should exercise caution when dealing in the 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, March 3, 2008.

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.