
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Mongolia Energy Corporation Limited (the “Company”), you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 276)

**CHANGE OF AUDITORS TO
DELOITTE TOUCHE TOHMATSU**

A letter from the Board of the Company is set out on pages 2 to 4 of this circular.

A notice convening the SGM is set out on page 5 of this circular. If you are not able to attend and/or vote at the meeting, you are strongly urged to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

March 17, 2008

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board” or “Director(s)”	the board of directors of the Company;
“Bye-Laws”	the bye-laws of the Company;
“Change of Auditors”	the proposed appointment of Deloitte Touche Tohmatsu as new auditors of the Company following the resignation of PricewaterhouseCoppers, upon the passing of an ordinary resolution by the Shareholders at the SGM and to hold office until the conclusion of the next annual general meeting of the Company;
“Company”	Mongolia Energy Corporation Limited, a company incorporated in Bermuda whose shares are listed on the Stock Exchange;
“Deloitte”	Deloitte Touche Tohmatsu;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PwC”	PricewaterhouseCoopers;
“SGM”	the special general meeting of the Company to be convened and held at Room Annapurna, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on April 8, 2008 at 11:00 a.m. (or any adjournment thereof), the notice of which is set out on page 5 of this circular;
“Share(s)”	Ordinary share(s) of HK\$0.02 each in the share capital of the Company;
“Shareholder(s)”	Holder(s) of the Share(s); and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.



MONGOLIA ENERGY CORPORATION LIMITED

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Executive Directors:

Mr. Lo Lin Shing, Simon (*Chairman*)

Ms. Yvette Ong

Non-executive Director:

Mr. To Hin Tsun, Gerald

Independent non-executive Directors:

Mr. Peter Pun, *OBE, JP*

Mr. Tsui Hing Chuen, *William, JP*

Mr. Lau Wai Piu

Registered office:

Clarendon House

Church Street

Hamilton HM 11

Bermuda

Head office and principal place

of business in Hong Kong:

Rooms 1502-5

New World Tower 1

16-18 Queen's Road Central

Hong Kong

March 17, 2008

To the Shareholders

Dear Sir or Madam,

**CHANGE OF AUDITORS TO
DELOITTE TOUCHE TOHMATSU**

On November 29, 2007, the Board announced the resignation of PwC as the auditors of the Company and its subsidiaries with effect from November 27, 2007.

The Board has resolved to propose the appointment of Deloitte as auditors of the Company to fill the casual vacancy following the resignation of PwC, upon the passing of an ordinary resolution by the Shareholders at the SGM, and to hold office until the conclusion of the next annual general meeting of the Company.

In the letter of resignation issued by PwC dated November 27, 2007 addressed to the Board and the audit committee of the Company, PricewaterhouseCoopers confirmed that there were no circumstances connected with their resignation that they considered ought to be brought to the attention of the shareholders or creditors of the Company and/or its subsidiaries.

The Board and the audit committee of the Company confirmed that there were no disagreements or unresolved issues with PwC and there were no circumstances connected with the resignation of PwC which should be brought to the attention of the Shareholders.

LETTER FROM THE BOARD

As PwC had not commenced any audit work on the Company and its subsidiaries for the financial year ending March 31, 2008, it is anticipated that the Change of Auditors would not affect the audit and will not cause any delay in the release of the annual results of the Group for the financial year ending March 31, 2008.

SGM

The SGM will be held at Room Annapurna, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on April 8, 2008 at 11:00 a.m. to consider and, if thought fit, approve the Change of Auditors.

A notice convening the SGM is set out on page 5 of this circular. If you are not able to attend and/or vote at the meeting, you are strongly urged to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

PROCEDURES TO DEMAND A POLL AT GENERAL MEETING

Under the bye-laws of the Company, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the chairman of the meeting; or
- (ii) by at least three Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the rights to vote at the meeting; or
- (iv) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right; or
- (v) if required by the Listing Rules, by any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing 5% or more of the total voting rights of all the Shareholders having the right to vote at the meeting.

LETTER FROM THE BOARD

RECOMMENDATION

The Board is of the opinion that the nomination and appointment of Deloitte as auditors of the Company is in the interest of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution as proposed at the SGM.

Yours faithfully,

By order of the Board

Mongolia Energy Corporation Limited

Tang Chi Kei

Company Secretary



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NOTICE IS HEREBY GIVEN that a special general meeting (the “meeting”) of Mongolia Energy Corporation Limited will be held at Room Annapurna, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on April 8, 2008 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** Deloitte Touche Tohmatsu be and is hereby appointed as auditors of the Company to fill the vacancy following the resignation of PricewaterhouseCoopers, and to hold office until the conclusion of the next annual general meeting of the Company and that the board of directors of the Company be authorized to fix their remuneration.”

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

Hong Kong, March 17, 2008