



**MONGOLIA ENERGY CORPORATION LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 276)**

**UNUSUAL PRICE MOVEMENT**

This statement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Mongolia Energy Corporation Limited (“**MEC**”) has noted the recent decrease in the price of its shares and wishes to state that MEC is not aware of any reasons for such decrease.

For completeness, please refer to the possible joint ventures announcement of June 20, 2008 over which MEC is commissioning the requisite professional reports and in contract negotiations. Further, MEC has entered a consortium agreement on July 31, 2008, as a 20% consortium member with a connected person, Mr. Liu Cheng Lin, for the rest of the 80% and on a pro rata basis, for an international tender for an oil and gas exploration block Ergel XII in Mongolia from the Government of Mongolia of approximately 1.18 million hectares, 150 km from the border crossing with Erlian, Inner Mongolia, PRC, the result of which has yet to be notified, and only in case of a successful notification, would a further announcement be made. Further, the extent of the pro rata commitment of the parties will depend on the terms of the successful notification, if any, along with the extent of compliance required under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). There is no premium or payment from one party to the other for the formation of the consortium. In case any future arrangement or transaction, following a successful notification, and which is dependant on the terms of the successful notification, may constitute notifiable transactions or connected transactions for MEC under the Listing Rules, MEC will comply with the Listing Rules requirements by disclosure and seeking approval from shareholders as and when appropriate. As there is no guarantee of a successful notification, caution should be exercised with trading in the share and securities of MEC.

Apart from the above, the board of directors (the “**Board**”) confirm that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under rule 13.23 of the Listing Rules, and neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

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

Hong Kong, August 18, 2008.

*As at the date hereof, the Board comprises seven Directors, of which Mr. Lo Lin Shing, Simon Mr. Liu Zhuo Wei, 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.*