



MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

**PROGRESS UPDATE FOR THE KHUSHUUT ROAD UPGRADE
RUNNING FROM MEC'S MINE AREAS IN KHUSHUUT,
WESTERN MONGOLIA TO 塔克什肯 (TAKESHIKEN), XINJIANG, PRC**

MEC refers to its announcement of July 8, 2008 and the definitions therein relating to the Khushuut Road upgrade and related building works.

MEC is pleased to announce, as an update, that 243.8 km of the foundation work for the Khushuut Road has been completed. The completed sections have been examined and found to be satisfactory to Xinjiang Kunlun Engineering Supervision Co Ltd (新疆昆崙工程監理有限責任公司), MEC's independent supervisory company, for 60MT trucks to travel at speeds of up to 60 kilometers per hour.

Further, for the substantial balance of the Khushuut Road, there is an interconnection with an existing road owned by the local government in Mongolia, which MEC will work towards finalizing the terms for the use by MEC, prior to commencement of mining operations.

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MEC has reached agreement with the local government of Mongolia earlier for MEC to be allowed 30 years free user of the sections of the Khushuut Road built by it subject to maintenance by MEC and compliance with applicable laws and regulations of Mongolia. MEC has also the right to direct the commercial usage by users of over 40MT for the sections of the Khushuut Road built by it.

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

Hong Kong, November 24, 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.