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MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

ANNOUNCEMENT

**MEC INITIAL ACQUISITION IN XINJIANG, PRC
RELATING TO COPPER, TIN & MULTI-METALS RESOURCES
WITH EXPLORED TUNGSTEN AND TIN RESOURCES
AND
UNWINDING OF JOINT VENTURE**

TIMING FOR COMPLETION

MEC refers to the sanction of the independent shareholders of MEC on November 25, 2008 for the Transaction and the unwinding of Joint Venture, as referred to and defined under the circular of October 31, 2008 (the “**Circular**”). The scheduled timing for completion is now May 31, 2009.

MEC refers to the sanction of the independent shareholders of MEC on November 25, 2008 for the Transaction and the unwinding of Joint Venture, as referred to and defined under the circular of October 31, 2008 (the “**Circular**”) with a completion date of on or prior to December 31, 2008 or such later date as agreed to by the parties to the transactions. The scheduled timing for completion is now May 31, 2009. This is to tie in with the expected timing required to process the application for the mining licence over the Concession Area.

The Directors (including independent non-executive directors) maintain the view that the benefits for the Transaction including business diversification, prospects of tungsten and tin and the Consideration for the Transaction, as sanctioned by the independent shareholders of MEC is in the interest of MEC and its shareholders to complete the transactions at the scheduled timing for completion.

Please refer to the Circular for details and rationale relating to the transactions.

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

Hong Kong, December 31, 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.