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MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

INSIDE INFORMATION

BUSINESS UPDATE

We have suspended our mining works relating to overburden removal and coal excavation in the Khushuut Coal Mine for saving operation costs pending the lifting of the restriction on our raw coal import imposed by the Xinjiang Takeshiken border authorities.

This announcement is made by Mongolia Energy Corporation Limited (the “**Company**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong).

Reference is made to our announcement dated 25 April 2017.

We have been informed by the Xinjiang Takeshiken border authorities that the device specifications and installation design in respect of the security infrastructure have yet been finalized, and in order to save our operation costs, our mining works relating to overburden removal and coal excavation in the Khushuut Coal Mine have been temporarily halted. We anticipate the installation works for the security infrastructure will commence as soon as possible once the device specifications and installation design have been approved. As the lifting of restriction on our raw coal import depends on the completion of installation of the security infrastructure and the timing is yet to be known, we will continue monitoring the developments and make further updates as and when appropriate.

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

Hong Kong, 11 May 2017

As at the date of this announcement, the Board comprises seven Directors, including Mr. Lo Lin Shing, Simon and Ms. Yvette Ong as executive Directors, Mr. To Hin Tsun, Gerald and Mr. Lo, Rex Cze Kei as non-executive Directors, and Mr. Tsui Hing Chuen, William JP, Mr. Lau Wai Piu, and Mr. Lee Kee Wai, Frank as independent non-executive Directors.