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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**If you have sold or transferred** all your shares in Mongolia Energy Corporation Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**MEC**

**MONGOLIA ENERGY CORPORATION LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 276)**

**PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS,  
GENERAL MANDATE TO ISSUE NEW SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of Mongolia Energy Corporation Limited to be held at Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, August 30, 2010 at 2:30 p.m., at which a number of matters including the above proposals will be considered, is set out on pages 9 to 11 of this circular.

Whether or not you are able to attend the meeting in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same 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 but in any event not later than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so desire.

July 27, 2010

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## CONTENTS

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	<i>Page</i>
<b>DEFINITIONS</b> .....	1
 <b>LETTER FROM THE BOARD</b>	
Introduction .....	3
Re-election of retiring Directors .....	4
General Mandate .....	4
Notice of AGM .....	4
Voting by Poll .....	4
Recommendation .....	4
General .....	5
 <b>APPENDIX – PARTICULARS OF RETIRING DIRECTORS                     STANDING FOR RE-ELECTION</b> .....	
	6
 <b>NOTICE OF ANNUAL GENERAL MEETING</b> .....	 9

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, August 30, 2010 at 2:30 p.m., or where the context so admits, any adjournment thereof
“AGM Notice”	the notice convening the AGM as set out on pages 9 to 11 of this circular
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company, as amended and supplemented
“Company”	Mongolia Energy Corporation Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“General Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot, issue and deal with new Shares in the manner as set out in the AGM Notice
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	July 20, 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Share Option Scheme”	the existing share option scheme adopted by the Company on August 28, 2002
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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LETTER FROM THE BOARD

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**MONGOLIA ENERGY CORPORATION LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 276)**

*Executive Directors:*

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

Mr. Liu Zhuo Wei

Ms. Yvette Ong

*Registered office:*

Clarendon House

Church Street

Hamilton HM 11

Bermuda

*Non-executive Director:*

Mr. To Hin Tsun, Gerald

*Head office and principal place of  
business in Hong Kong:*

40th – 41st Floors

New World Tower 1

16-18 Queen's Road Central

Hong Kong

*Independent Non-executive Directors:*

Mr. Peter Pun *OBE, JP*

Mr. Tsui Hing Chuen, William *JP*

Mr. Lau Wai Piu

July 27, 2010

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS,  
GENERAL MANDATE TO ISSUE NEW SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to give you details of the following proposals which, together with other ordinary business, will be proposed at the AGM for consideration and, where appropriate, approval by the Shareholders:

- (i) re-election of retiring Directors; and
- (ii) grant of the General Mandate.

The AGM Notice is set out on pages 9 to 11 of this circular.

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## LETTER FROM THE BOARD

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### RE-ELECTION OF RETIRING DIRECTORS

At the forthcoming AGM, Mr. Lo Lin Shing, Simon, Mr. Tsui Hing Chuen, William and Mr. Lau Wai Piu will retire from office in accordance with Bye-law 87 of the Bye-laws of the Company and being eligible, offer themselves for re-election. Pursuant to Rule 13.74 of the Listing Rules, details of the above retiring directors standing for re-election as required under Rule 13.51(2) of the Listing Rules are set out in the Appendix.

### GENERAL MANDATE

The current general mandates granted to the Directors to issue new Shares will expire at the conclusion of the AGM. The Directors will ask for renewal of the General Mandate by proposing resolution numbered 4 as ordinary resolution for consideration and approval by the Shareholders.

In order to provide flexibility and discretion to the Directors to issue new Shares, an ordinary resolution will be proposed at the AGM that the Directors be granted the issue mandate to allot and issue new Shares up to an amount not exceeding 20% of the issued capital of the Company at the time of passing such resolution.

### NOTICE OF AGM

The AGM Notice is set out on pages 9 to 11 of this circular. A form of proxy for use at the AGM is also enclosed with this circular. Whether or not you are able to attend the AGM in person, you are requested to complete the 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 but in any event not later than 48 hours before the time appointed for the holding of the AGM. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so desire.

### VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all resolutions will be put to vote by way of poll at the AGM. An announcement on the results of the vote by poll will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### RECOMMENDATION

The Board considers that the resolutions, as set out in the notice of AGM, are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favour of all of them at the AGM.

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**LETTER FROM THE BOARD**

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**GENERAL**

Your attention is drawn to the additional information set out in the Appendix.

Yours faithfully,  
For and on behalf of the Board  
**Lo Lin Shing, Simon**  
*Chairman*

The biographical and other details of retiring Directors standing for re-election at the AGM are set out as below:

(1) **Lo Lin Shing, Simon** – Executive Director

**Mr. Lo**, aged 54, has been an executive director since August 1999 and the Chairman of the Company since November 2001.

Mr. Lo possesses of around 30 years of experience in the financial, securities and futures industries, including many trans-border transactions. Mr. Lo is also the chairman of Vision Values Holdings Limited (formerly known as New World Mobile Holdings Limited) (stock code 862), and the deputy chairman and executive director of International Entertainment Corporation (stock code 8118). Save as disclosed above, in the last three years immediately prior to the Latest Practicable Date, Mr. Lo also served as the executive director of Taifook Securities Group Limited (stock code 665) (ceased to act as director on July 1, 2009) and a non-executive director of ITC Properties Group Limited (stock code 199) (formerly known as “Macau Prime Properties Holdings Limited”) (ceased to act as non-executive director on September 12, 2007), all of which are companies whose shares are listed on the Stock Exchange.

Save for Mr. Lo is the sole director and shareholder of Golden Infinity Co., Ltd., the substantial shareholder of the Company, Mr. Lo does not have any relationship with any other Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

Mr. Lo has not entered into any service contract with the Company and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws. The emoluments of Directors for the coming financial year will be determined in accordance with the policy by the Remuneration Committee. Mr. Lo was entitled to an allowance of HK\$1,129,000 for the year ended March 31, 2010. Save as aforesaid, Mr. Lo has not had other remuneration such as bonus and other kinds of benefits.

As at the Latest Practicable Date, Mr. Lo holds 6,000,000 share options held under the Share Option Scheme and 1,200,739,301 Shares (4,960,000 on an individual basis, 1,194,029,301 Shares are held by Golden Infinity Co., Ltd. of which Mr. Lo is interested in its entire issue share capital and 1,750,000 Shares are held by Ms. Ku Ming Mei, Rouisa, who is the spouse of Mr. Lo) of the Company, representing approximately 19.77% of the issued share capital of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other matter that needs to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.



**(2) Tsui Hing Chuen, William JP** – Independent Non-executive Director

**Mr. Tsui**, aged 59, was appointed as an independent non-executive Director on September 8, 2006. Mr. Tsui is also a member of the Audit Committee and Remuneration Committee of the Company. Mr. Tsui is the founder partner of Messrs. Lo, Wong & Tsui, Solicitors & Notaries since 1980. Mr. Tsui has been a solicitor of the High Court of Hong Kong since 1977, a solicitor of the Supreme Court of England & Wales since 1980 as well as a barrister and solicitor of the Supreme Court of Victoria, Australia since 1983. Mr. Tsui has also been an advocate and solicitor in Singapore since 1985 and a notary public appointed by the Archbishop of Canterbury England since 1988.

Mr. Tsui was appointed as a Justice of The Peace by the Government of Hong Kong in 1997. Mr. Tsui is also an independent non-executive director of Taifook Securities Group Limited (stock code 665), International Entertainment Corporation (stock code 8118) and Vision Values Holdings Limited (formerly known as New World Mobile Holdings Limited) (stock code 862), all of which are companies whose shares are listed on the Stock Exchange. Save as disclosed above, Mr. Tsui did not hold any directorship in any other listed public company in the past three years immediately prior to the Latest Practicable Date.

Mr. Tsui has not entered into any service contract with the Company and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws. Mr. Tsui is entitled to a remuneration of HK\$100,000 per annum, which is determined by reference to his duties and responsibilities with the Company, subject to review by the Board from time to time. Save as aforesaid, Mr. Tsui has not had other remuneration such as bonus and other kinds of benefits.

As at the Latest Practicable Date, Mr. Tsui holds 500,000 share options under the Share Option Scheme and 500,000 Shares, representing approximately 0.016% of the issued share capital of the Company and he had no personal interests in the share options of the Company which are required to be notified to the Company and the Stock Exchange under Part XV of the SFO.

Save as disclosed above, there is no other matter that needs to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

**(3) Lau Wai Piu** – Independent Non-executive Director

**Mr. Lau**, aged 46, has been an independent non-executive Director since September 2004. Mr. Lau has over 20 years extensive experience in accounting and financial management. Mr. Lau is a member of Hong Kong Institute of Certified Public Accountants and a fellow of The Association of Chartered Certified Accountants. Mr. Lau is also an independent non-executive director of Vision Values Holdings Limited (formerly know as New World Mobile Holdings Limited) (stock code 862), International Entertainment Corporation (stock code 8118) and Taifook Securities Group Limited (stock code 665), all of which are companies whose shares are listed on the Stock Exchange. Save as disclosed above, in the last three years immediately prior to Latest Practicable Date, Mr. Lau did not hold any directorship in any other listed public company.

Mr. Lau has not entered into any service contract with the Company and is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Bye-laws. The emoluments of Directors for the coming financial year will be determined in accordance with the policy by the Remuneration Committee. Mr. Lau was entitled to a remuneration of HK\$100,000 per annum for the year ended March 31, 2010. Save as aforesaid, Mr. Lau has not had other remuneration such as bonus and other kinds of benefits. Mr. Lau is not connected with any Directors, senior management or substantial or controlling Shareholders of the Company.

As at the Latest Practicable Date, Mr. Lau holds 500,000 share options held under the Share Option Scheme and 201,200 Shares, representing approximately 0.011% of the issued share capital of the Company and he had no personal interests in the share options of the Company which are required to be notified to the Company and the Stock Exchange under Part XV of the SFO.

Save as disclosed above, there is no other matter that needs to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

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## NOTICE OF ANNUAL GENERAL MEETING

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### **MONGOLIA ENERGY CORPORATION LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 276)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Mongolia Energy Corporation Limited (the “Company”) will be held at Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, August 30, 2010 at 2:30 p.m. to transact the following ordinary business:

1. To receive and consider the audited financial statements and the reports of the directors and independent auditor of the Company for the year ended March 31, 2010;
2. (a) To re-elect Mr. Lo Lin Shing, Simon as an executive director;  
  
(b) To re-elect Mr. Tsui Hing Chuen, William as an independent non-executive director;  
  
(c) To re-elect Mr. Lau Wai Piu as an independent non-executive director; and  
  
(d) To authorise the board of directors to fix the directors’ remuneration;
3. To re-appoint Deloitte Touche Tohmatsu as independent auditor and to authorise the board of directors to fix their remuneration;

By way of special business, to consider and, if thought fit, to pass the following ordinary resolution, with or without modification:

#### **ORDINARY RESOLUTION**

4. **“THAT:**
  - (a) subject to the following provisions of this resolution, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of the Company, and to make or grant offers, agreements or options (including bonds, notes, warrants, debentures and securities convertible into shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the approval in paragraph (a) of this resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including bonds, notes, warrants, debentures and securities convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
  
- (c) the aggregate nominal amount of share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) an issue of shares pursuant to any existing specific authority, including upon the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any bonds, notes, debentures or securities convertible into shares of the Company; (iii) the exercise of options granted under any share option scheme adopted by the Company; and (iv) any scrip dividend scheme or similar arrangement providing for the allotment of shares of the Company in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution; and
  
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the date of passing this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
  
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or
  
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting;

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## NOTICE OF ANNUAL GENERAL MEETING

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and “Rights Issue” means an offer of shares open for a period fixed by the directors of the Company made to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognized regulatory body or any stock exchange in, or in any territory outside, Hong Kong).”

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

Hong Kong, July 27, 2010

*Registered office:*

Clarendon House  
Church Street  
Hamilton HM 11  
Bermuda

*Head office and principal place of business in Hong Kong:*

40th – 41st Floors  
New World Tower 1  
16-18 Queen’s Road Central  
Hong Kong

*Notes:*

1. A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or, if he is the holder of two or more shares, more than one proxy to attend and, on a poll, vote instead of him. In the case of a recognised clearing house, it may authorise such person(s) as it thinks fit to act as its representative(s) at the meeting and vote in its stead. A proxy need not be a member of the Company.
2. To be valid, the proxy form, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at 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 less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. Where there are joint holders of any share, any one of such holders may vote at the meeting, either in person or by proxy, in respect of such share as if he were solely entitled to vote, but if more than one of such joint holders be present at the meeting in person or by proxy, the person so present whose name stands first in the register of members of the Company in respect of such share shall alone be entitled to vote in respect of it. Completion and return of the form of proxy will not preclude a member from attending the meeting and voting in person at the meeting or any adjourned meeting if he so desires. If a member attends the meeting after having deposited the form of proxy, his form of proxy will be deemed to have been revoked.
4. In accordance with Bye-laws of the Company, Mr. Lo Lin Shing, Simon, Mr. Tsui Hing Chuen, William JP and Mr. Lau Wai Piu will retire at the meeting and being eligible, offer themselves for re-election. Details of the retiring directors have been set out in the circular of the Company dated July 27, 2010.