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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 a licensed securities dealer, 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 other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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**

A notice convening the annual general meeting of Mongolia Energy Corporation Limited to be held at Harbour View Ballroom I, Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Tuesday, 30 August 2011 at 3:30 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.

26 July 2011

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DEFINITIONS

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 Harbour View Ballroom I, Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Tuesday, 30 August 2011 at 3:30 p.m. or where the context so admits, any adjournment thereof
“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” or “MEC”	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 Notice of AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	19 July 2011, 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
“Notice of AGM”	the notice convening the AGM as set out on pages 9 to 11 of this circular
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong

DEFINITIONS

“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 28 August 2002
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



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

26 July 2011

To the Shareholders

Dear Shareholders,

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

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

At the forthcoming AGM, Mr. Liu Zhuo Wei, Ms. Yvette Ong and Mr. Peter Pun will retire from office in accordance with Bye-law 87 of the Bye-laws and being eligible, offer themselves for re-election. Pursuant to Rule 13.74 of the Listing Rules, the details of the above retiring Directors required under Rule 13.51(2) of the Listing Rules are set out in the Appendix.

GENERAL MANDATE

The current General Mandate granted to the Directors to issue 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 Notice of AGM 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 the resolutions at the AGM.

LETTER FROM THE BOARD

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) Liu Zhuo Wei — Executive Director

Mr. Liu, aged 58, has been an executive Director since 7 April 2008. Mr. Liu has a bachelor degree from Harbin University of Science and Technology (哈爾濱理工大學) and used to be a member of the People's Liberation Army General Staff Department (中國人民解放軍總參謀部) and General Armaments Department (總裝備部). He was formerly a deputy secretary of All-China Federation of Industry & Commerce (中華全國工商業聯合會). Being a former deputy secretary of All-China Federation of Industry & Commerce (中華全國工商業聯合會), Mr. Liu has established contacts with both the government and commercial sectors. Mr. Liu has not held any directorship in any other listed public companies in the past three years immediately prior to the Latest Practicable Date.

Mr. Liu 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. Mr. Liu has not received any remuneration including bonus and other kind of benefits since his appointment date up to the Latest Practicable Date. The emoluments of Mr. Liu will be determined by the remuneration committee of the Board with reference to MEC's performance and profitability as well as the prevailing market conditions. Mr. Liu is not connected with any directors, senior management or substantial or controlling shareholders of the Company.

Mr. Liu does not have any other interest in the shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other matter that need 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) Ms. Yvette Ong — Executive Director

Ms. Ong, aged 46, has been a Director since 27 September 1999. Ms. Ong is responsible for providing leadership for the management, implementing strategies and overseeing the operations of the Company. Ms. Ong has over 20 years of experience in the information technology industry in Asia Pacific. Ms. Ong was formerly the CEO/managing director of New World CyberBase Limited (the predecessor of MEC). Before that Ms. Ong was a managing director of AT&T EasyLink Services Asia Pacific Limited. She joined AT&T in 1991 initially focusing on the sales and marketing of data communications services. She was instrumental in setting up the Internet and IP Solutions business in Hong Kong and was a key member of the Asia Pacific senior management team responsible for the expansion of AT&T's Internet business in Asia Pacific. Ms. Ong holds a MBA degree in Management Information Systems and Marketing and a Bachelor degree in Finance and Management from the University of San Francisco.

Ms. Ong has not held any directorship in other listed companies in the last three years and does not have any relationship with any other directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

There is no service contract entered into between the Company and Ms. Ong. However, she has an agreement with a subsidiary of the Company, which is terminable by either party by giving to the other not less than three months' notice in writing. In addition, Ms. Ong is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws. Ms. Ong was censured by the Listing Committee of the Stock Exchange for breach of the Listing Rules as announced on 28 October 2010 and she has completed the required training course in April 2011. The annual remuneration of Ms. Ong is HK\$1,919,108 comprising the annual salary, housing allowances, other allowances and benefits in kind, and contributions to pension schemes, which is determined in accordance with the policy reviewed by the remuneration committee of the Company.

As at the Latest Practicable Date, Ms. Ong holds 500,000 share options under the Share Option Scheme and 1,090,000 Shares of the Company representing approximately 0.024% of the issued share capital of the Company. Apart from this, she has no other interest of the Company which is 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 need 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) Peter Pun OBE, JP — Independent Non-executive Director

Mr. Pun, aged 80, has been an independent non-executive Director since 3 October 1997. Mr. Pun is also a member of the audit committee and remuneration committee of the Company.

Mr. Pun has over 45 years of international experience in engineering and construction, town and urban planning, as well as infrastructure and property development. He is the chairman and chief executive of the PYPUN group. Mr. Pun is a graduate of St. John's University and Tongji University in Shanghai and a postgraduate of Imperial College, London. He has been an authorised architect under the Hong Kong Buildings Ordinance since 1964 and a practising authorised person and registered structural engineer in Hong Kong since 1974. He is a fellow of both Institution of Civil Engineers, United Kingdom and the Hong Kong Institution of Engineers. He has been a Justice of Peace since 1980 and was awarded an OBE in 1995.

Mr. Pun has not held any directorship in other listed companies in the last three years and does not have any relationship with any directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

Mr. Pun 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. Pun 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. Saved as aforesaid, Mr. Pun has not had other remuneration such as bonus and other kind of benefits.

As at the Latest Practicable Date, Mr. Pun holds 500,000 share options under the Share Option Scheme representing approximately 0.007% of the issued share capital of the Company. Apart from this, he has no other interest which is 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 need 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.

NOTICE OF ANNUAL GENERAL MEETING



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 Harbour View Ballroom I, Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Tuesday, 30 August 2011 at 3:30 p.m. to transact the following ordinary businesses:

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 31 March 2011;
2.
 - (a) To re-elect Mr. Liu Zhuo Wei as executive director;
 - (b) To re-elect Ms. Yvette Ong as executive director;
 - (c) To re-elect Mr. Peter Pun as 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 each of the following resolutions, 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 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 be and is hereby generally and unconditionally approved;
 - (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;

NOTICE OF ANNUAL GENERAL MEETING

- (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;

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 recognised 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, 26 July 2011

NOTICE OF ANNUAL GENERAL MEETING

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 the bye-laws of the Company, Mr. Liu Zhuo Wei, Ms. Yvette Ong and Mr. Peter Pun will retire at the meeting and being eligible, offer themselves for re-election. Details of the retiring directors of the Company have been set out in the circular of the Company dated 26 July 2011.