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**MONGOLIA ENERGY CORPORATION LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(HK Stock Code: 276)**

**ANNOUNCEMENT**

**MEC enters into Cooperation Agreement with  
Shandong Energy Xinwen Mining Group**

**HONG KONG** – Mongolia Energy Corporation Limited (“**MEC**”) is pleased to announce that it has today entered into a cooperation agreement (“**Agreement**”) with 山東能源新汶礦業集團有限責任公司 (Shandong Energy Xinwen Mining Group Co., Ltd.) (“**Xinwen**”). Under the Agreement, Xinwen has agreed to provide technical consultancy services to MEC for a proposed coal washing plant project in Xinjiang, the People’s Republic of China and its operation in Mongolia.

Please see the attached press release for more details.

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

Hong Kong, 27 February 2012

*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 <sub>OBE, JP</sub>, Mr. Tsui Hing Chuen, William <sub>JP</sub> and Mr. Lau Wai Piu are Independent Non-executive Directors.*

For Immediate Release

## MEC ENTERS INTO COOPERATION AGREEMENT WITH SHANDONG ENERGY XINWEN MINING GROUP

**HONG KONG, 27 February 2012 – Mongolia Energy Corporation Limited (HKSE:276) (“MEC” or the “Company”)** is pleased to announce that it has today entered into a cooperation agreement (“**Agreement**”) with 山東能源新汶礦業集團有限責任公司 (Shandong Energy Xinwen Mining Group Co., Ltd. ) (“**Xinwen Mining Group**” or “**Xinwen**”). Under the Agreement, Xinwen has agreed to provide technical consultancy services to MEC for a proposed coal washing plant project in Xinjiang, the People’s Republic of China (“**PRC**”) and its operation in Mongolia.

MEC plans to build a coal washing plant in Xinjiang before a permanent washing plant is set up in the Khushuut mine site. The proposed washing plant will have an initial annual coal washing capacity of 1,500,000 tons in phase one. It will enable the Company to better control its coal quality and enhance the value of its coal products. MEC is pleased to have the Xinwen Mining Group to provide one-stop assistance in this project from initial planning up to construction completion. Thereafter, the Xinwen Mining Group will provide management services for the operation of the washing plant.

The Xinwen Mining Group has also agreed to provide consultancy services on MEC’s Khushuut operation with a view to increasing operational efficiency. It will provide its findings and costs saving proposals to MEC after a thorough study, including site visit, of the Khushuut coal mine. MEC will discuss with the Xinwen Mining Group for further collaboration then.

MEC currently has over 330,000 hectares of concession areas in Mongolia comprises coal and other precious metals resources. Other than the Khushuut project, Xinwen will work with MEC to explore development opportunities of these potential resources concessions in Mongolia. The Xinwen Mining Group will utilize its own exploration professionals and will also invest in related exploration efforts. MEC will further discuss with the Xinwen Mining Group for the foundation of a joint venture once a development target is identified.

Xinwen was one of the top 50 coal producers in the PRC in 2011 and possesses an extensive and mature coal sales network in the PRC. The two companies have agreed to collaborate and leverage Xinwen sales coverage to expand the market development activities in these coming years.

“MEC has made significant progress in building up its business in western Mongolia in the last four years. We are keen to establish a cooperation relationship with MEC to leverage our expertise and experience for its expansion plans,” Mr. Li Xi Yong, Chairman of the Xinwen Mining Group said.

“The assistance of and cooperation with the Xinwen Mining Group provide a strong operational and development support to MEC, and with the expertise, experience and coal sales network of the Xinwen Mining Group, we look forward to a synergistic effect on MEC’s coming operation both in Mongolia and the PRC,” Mr. Simon Lo, Chairman of MEC said.

*-End-*

### **About Mongolia Energy Corporation Limited**

MEC is an energy and resource developer, having a strong in-house team, including industry veterans in the geological and mining aspects to lead exploration, development, and compliance aspects.

### **About the Xinen Mining Group**

The Xinwen Mining Group Co., Ltd was established in 1956 with its headquarters in Shandong, the PRC. It is a reputable state-owned enterprise with solid foundation in the coal industry. It has comprehensive coal mining operations with over 60 coal mines in various provinces and autonomous regions. In 2010, the output of coal in the Xinwen Mining Group reached 37.23 million tons, with sales income of RMB 46.8 billion. The Xinwen Mining Group ranked 15<sup>th</sup> among the Top 100 China’s Coal Enterprises in 2011. The clean coking coal production of Xinwen reached 12.84 million tons and ranked 4<sup>th</sup> in the nation in 2011. The Xinwen Mining Group has also possessed high calibre geological exploration teams, with grade A qualification in solid resources exploration and grade B qualification in geological drilling. For details, please refer to the website of the Xinwen Mining Group at <http://www.xwky.cn>.

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**Please note:** The above information contains forward-looking statements that involve risks and uncertainties and are based on information MEC in good faith believes to be reliable as of the date thereof. The actual results may differ. Please exercise care and caution and read the information with the announcements and circulars and information set out under [www.mongolia-energy.com](http://www.mongolia-energy.com), which the information is subject to. All figures are approximation.