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**MONGOLIA ENERGY CORPORATION LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 276)**

**PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that based on the information currently available, it is expected that the Group may record a significant loss, which is mainly an impairment loss of the mining assets of the Group, for the year ended 31 March 2012 as compared with the audited loss for the corresponding period in 2011.

This profit warning announcement is only based on the preliminary review on the currently available information and the management accounts of the Group, which have not been confirmed nor audited by the Company's independent auditor.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by Mongolia Energy Corporation Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Board wishes to inform the shareholders of the Company and potential investors that based on the information currently available, it is expected that the Group may record a significant loss, which is mainly an impairment loss, for the year ended 31 March 2012 as compared with the audited loss for the corresponding period in 2011. Based on preliminary assessment, an impairment loss is expected to be recognized in relation to the mining assets of our Khushuut Coking Coal Project. The possible impairment loss is a non-cash accounting treatment in accordance with Hong Kong Financial Reporting Standards and it has no effect on the cash flow for the Group's operation.

This profit warning announcement is only based on the preliminary review on the information currently available and the management accounts of the Group, which have not been confirmed nor audited by the Company's independent auditor.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 8 June 2012

*As at the date hereof, the Board comprises seven Directors, of which Mr. Lo Lin Shing, Simon, Ms. Yvette Ong and Mr. Liu Zhuo Wei 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.*