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MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

ANNOUNCEMENT PURSUANT TO RULE 13.09(1) OF THE LISTING RULES

MoEnCo received a letter on 6 December 2012 from the Mining Ministry of Mongolia for requesting information of the Khushuut Coal Mine for assessment of placing the Khushuut Coal Mine into the Strategic Deposits' list.

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

MoEnCo LLC (“**MoEnCo**”), the wholly indirect owned operating subsidiary of Mongolia Energy Corporation Limited (the “**Company**”) in Mongolia, received a letter on 6 December 2012 from the Mining Ministry of Mongolia for requesting information of its Khushuut Coal Mine for assessment of placing the Khushuut Coal Mine into the list of deposits of strategic importance in Mongolia (“**Strategic Deposits**”). The working committee of the Mining Ministry requires certain information from MoEnCo including, among others, (i) business and mining activities of the Khushuut Coal Mine; (ii) information of geological exploration works performed by private investment and state budget; (iii) mineral resources information issued by the state authorities; (iv) information on geological research works and report on the mine site; and (v) the co-operation contracts between with state authorities and local governments.

The request for collection of information from MoEnCo is to identify the reasons whether or not to place the Khushuut Coal Mine into the list of Strategic Deposits. The ruling procedures will require consideration and approval at the government level and then at the parliament level. According to the said letter, no timetable and the government procedures are given for this purpose. MoEnCo will use its best endeavour to demonstrate to the Mongolian government that the Khushuut Coal Mine should not be categorized as a Strategic Deposit.

According to the Strategic Deposits' list pronounced by the Mongolian government in 2007, there are fifteen (15) deposits in Mongolia that have been classified as Strategic Deposits, and there are also additional thirty-nine (39) deposits under consideration for classification as Strategic Deposits in the said list. Our Khushuut is not Coal Mine within the said list since 2007. The Mongolian government has not published any further details whether the 39 deposits have been added to the Strategic Deposits' list since then.

The Minerals Law states that a mineral deposit is of strategic importance if a deposit may have a potential impact on national security, economic and/or social development of the country at regional and/or national levels, or that is capable of producing greater than 5% of the gross

domestic product of any given year. Under the said Minerals Law, the size of the government participation is determined largely by the level of state funding which had been provided for the exploration and development of any deposit, with the government of Mongolia entitled to participate up to 50% in the event that there has been a state funding of such deposit and up to 34% if there has not. In the event a Strategic Deposit is ruled, the Mongolian government will negotiate with the entity concerned as to the mode or percentage of the government's participation and the results will depend on the results of individual negotiations. It may take the form of production or profit sharing or some other arrangement negotiated between the licence holder and the Mongolian government.

None of the deposits covered by the Company's existing mining or exploration licences are currently designated as Strategic Deposits.

We will monitor the development and to further inform the shareholders as the Company deems appropriate.

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

Hong Kong, 7 December 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 OBE JP, Mr. Tsui Hing Chuen, William JP and Mr. Lau Wai Piu are independent non-executive Directors.