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MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

ANNOUNCEMENT

UPDATE ON THE CONTRACTUAL DISPUTE WITH LEIGHTON

The Court ruled in favour of the Company in the Summary Application made by Leighton at the hearing held on 10 July 2013.

Reference is made to the announcement of Mongolia Energy Corporation Limited (the “**Company**”) dated 31 May 2013 (the “**Announcement**”) in relation to MoEnCo LLC’s (“**MoEnCo**”) contractual dispute with Leighton LLC (“**Leighton**”). Unless otherwise defined, terms used in this announcement shall have the same meanings as defined in the Announcement.

Under the Summary Application made by Leighton, it asked the High Court of Hong Kong (the “**Court**”) to determine:

- 1.1 whether the Company Guarantee given by the Company in favour of Leighton pursuant to the Mining Agreement entered into between MoEnCo and Leighton is a performance bond (in the nature of a contract of indemnity under which the obligation to make payment by the Company is autonomous and has been triggered by Leighton’s demand), or*
- 1.2 whether it is a guarantee in the true sense (so the Company, as surety, may rely upon the defences which may be available to the ‘Principal’, namely MoEnCo); and*
- 1.3 final judgment be entered for Leighton against the Company for the amount of MNT12,162,710,117(Mongolian Tugrik) (approximately HK\$65,037,587) with damages and interest to be assessed.*

After hearing from the legal representatives of both sides at the hearing held on 10 July 2013, the Court ruled in the Company’s favour that the Company Guarantee given by us to Leighton is a guarantee in the true sense with liability of the costs of the Summary Application to be decided. As such, final judgment in 1.3 above is required to be determined in full trial.

Accordingly, the Company will then file its defences for the 1st Writ and the second writ with the Court within the prescribed period or such period to be ordered by the Court.

The Company will keep the shareholders of the Company and public investors informed of any further material developments in connection with the above actions as and when appropriate.

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, 11 July 2013

As at the date of this announcement, 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.