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MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

ANNOUNCEMENT

BREACH OF THE SF CONVERTIBLE NOTE

This announcement is made by Mongolia Energy Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the “**SFO**”) and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Company refers to its announcement on 29 October 2013 (the “**Announcement**”). Capitalized terms in this announcement have the same meanings as those defined in the Announcement, unless otherwise stated.

The SF Convertible Note was expired on 12 November 2013. The Company has not redeemed the principal and repaid the interest thereon on its maturity; therefore, the Company is in breach of the redemption requirement under the SF Convertible Note.

The Company’s default on redemption of the SF Convertible Note also triggers the Company’s potential early redemption obligation under other existing convertible notes. As of the date of this announcement, these outstanding convertible notes, excluding the SF Convertible Note, have the aggregate principal amount of approximately HK\$2.4 billion.

The holders of the SF Convertible Note have proposed a conditional six-month moratorium from 12 November 2013 on repayment of principals and interests due under the SF Convertible Note subject to formal agreement between the parties and the Company. The Company will exercise its endeavour to reach an acceptable moratorium and debt restructuring plan with all the noteholders and loan provider.

If the Company fails to reach the terms of the moratorium and debt restructuring with the holders of the convertible notes and the loan provider and they take enforcement action against the Company, material adverse impact may occur on the operations and financial position of the Group. The Company will further announce any developments as and when appropriate.

Shareholders and potential investors of the Company are urged 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, 12 November 2013

As at the date of this announcement, the Board comprises six Directors, of which Mr. Lo Lin Shing, Simon and Ms. Yvette Ong 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.