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## **MONGOLIA ENERGY CORPORATION LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 276)**

### **ANNOUNCEMENT**

#### **MORATORIUM AGREEMENT WITH THE HOLDERS OF THE SF CONVERTIBLE NOTE**

The Company has entered into a Moratorium Agreement with the holders of the SF Convertible Note for a six-month moratorium up to 12 May 2014 on repayment of the principals and interests due under the SF Convertible Note.

Mongolia Energy Corporation Limited (the “**Company**”) refers to its announcement on 12 November 2013 (the “**Announcement**”). Capitalized terms in this announcement have the same meaning as those defined in the Announcement, unless otherwise stated.

On 15 November 2013, the Company entered into a conditional moratorium agreement with the holders of the SF Convertible Note for a six-month moratorium up to 12 May 2014 (the “**Standstill Period**”) on repayment of principals and interests due under the SF Convertible Note (the “**Moratorium Agreement**”). Since the SF Convertible Note was expired on 12 November 2013, no shares of the Company could be converted under the expired SF Convertible Note.

The conditions of the Moratorium Agreement, among others, are as follows:-

- (i) with respect to the expired 3.5% convertible note issued to Golden Infinity Co., Ltd, the Company shall seek a moratorium on its repayment obligations from Golden Infinity Co., Ltd to a date after the Standstill Period on terms not in any way favorable than the terms we agreed with the holders of the SF Convertible Note;
- (ii) the Company shall not repay any financial indebtedness of the Group that may fall due or become payable within the Standstill Period and shall agree a moratorium with the relevant creditors in respect of such payment obligation(s) until a date after Standstill Period which shall be on terms that are not in any way more favorable than the terms we agreed with the holders of the SF Convertible Note; and
- (iii) before repayment of the outstanding sums under the SF Convertible Note, the Group shall not grant any security interests in respect of present or future indebtedness, or to dispose any assets (other than in the ordinary course of business).

All other convertible noteholders and loan provider of the Company have indicated their support by not demanding repayment of principals and interests or loan under their respective instruments during the Standstill Period. The Company will exercise its endeavour to reach an acceptable debt restructuring plan with all the noteholders and loan provider.

If the Company fails to reach the 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, 18 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 Pui OBE, JP, Mr. Tsui Hing Chuen, William JP, and Mr. Lau Wai Piu are independent non-executive Directors.*