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MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

INSIDE INFORMATION ANNOUNCEMENT

THE APPOINTMENT OF MINING SERVICES CONTRACTOR (COAL EXTRACTION)

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board of Mongolia Energy Corporation Limited is pleased to announce that on 28 July 2014, MoEnCo entered into a mining services (coal extraction) agreement with Shin Jian Lu Di Van LLC (新疆綠地王) for appointing it as mining contractor to provide coal extraction services for the Khushuut Coal Mine. According to the agreement, the Contractor is principally required to provide coal mining services including loading and haulage of coal on the mine site.

The Company plans to resume commercial coal production for export by the fourth quarter this year. As the resumption of commercial coal production for export is subject to a variety of factors including but not limited to the smooth running of the dry processing plant at the Khushuut Mine Site and the washing plant in Xinjiang, and the market conditions, shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

The appointment of Mining Contractor (Coal Extraction)

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board of Mongolia Energy Corporation Limited (the “**Company**”) is pleased to announce that on 28 July 2014, MoEnCo LLC (“**MoEnCo**”), an indirect wholly owned subsidiary of the Company, entered into a mining services (coal extraction) agreement (the “**Agreement**”) with Shin Jian Lu Di Van LLC (新疆綠地王) (the “**Contractor**”) for appointing it as mining contractor to provide coal mining services including loading and haulage of coal on the Khushuut Coal Mine. It shall work along with the overburden removal contractor for the provision of mining services.

The Parties

Employer

MoEnCo is an indirect wholly owned subsidiary of the Company and also the license holder of the Khushuut Coal Mine.

Contractor

Shin Jian Lu Di Van LLC (新疆綠地王) is a wholly owned Mongolian subsidiary of its holding company which incorporated in the People's Republic of China in August 2000 and its main business activities include irrigation projects and mining. It has coal extraction experience in Eli, Xinjiang (新疆伊利) in the People's Republic of China.

To the best knowledge of the board of the Company, the Contractor is an independent third party not connected with the Company (as defined in the Listing Rules).

Principal terms of the Agreement

The principal terms of the Agreement, among others, are as follows:

Term

The term of service of the Agreement is for a mobilization period of 35 days and a working period of 36 months.

Principal scope of services

The Contractor is principally required to provide coal extraction, loading and haulage services on the mine site.

Plant and Equipment

The Contractor shall provide manpower and materials, including consumables, trucks, dozers and other machineries, camps, equipment, facilities, and fuel supply; and other ancillary materials and resources for the provision of the coal extraction services.

Service Fee of the Contractor

The service fee of the Contractor is based on the quantity of raw coal extracted by the Contractor. Based on our current estimation, the service fee for the Contractor in the 2014 calendar year will be approximately US\$1,700,000. However, the coal extraction quantity and hence the service fee could be varied and adjusted by MoEnCo as provided under the Agreement in response to the market conditions and/or the progress of the other contractors on the site.

Others

The funding of the service fee under the Agreement will be provided by the internal resources of the Company.

The Company plans to resume commercial coal production for export by the fourth quarter this year. As the resumption of commercial coal production for export is subject to a variety of factors including but not limited to the smooth running of the dry processing plant at the Khushuut Mine Site and the washing plant in Xinjiang, and the market conditions, shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 28 July 2014

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.