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**MONGOLIA ENERGY CORPORATION LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 276)**

**ANNOUNCEMENT**

There were recent news articles reporting that the Mongolian government would revoke at least 254 mining licences for gold across the country on environmental grounds. Upon preliminary enquiry with MEC's Mongolia legal advisers, none of the licences to be revoked involve MEC's licences.

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The Company has made a preliminary enquiry with our Mongolia legal advisers and was informed that none of the licences to be revoked involve the licences of the Company's operating subsidiaries in Mongolia.

The Company has reported in its recent Annual Report that on July 16, 2009, the Parliament of Mongolia enacted the Mining Prohibition Law (the "MPL") which prohibits minerals exploration and mining in areas such as headwaters of rivers and lakes, forest areas and areas adjacent to rivers and lakes. Under the MPL, new exploration licenses and mining licenses overlapping the defined prohibited areas will not be granted, while previously granted licenses that overlap the defined prohibited areas will be terminated within five months following the adoption of the law. The MPL further states that affected license holders shall be compensated. Details as to how the compensation is determined have not been specified in MPL.

The Company will closely monitor the development in Mongolia and will keep shareholders informed in due course if appropriate.

Made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

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

Hong Kong, November 22, 2010

*As at the date hereof, the Board comprises seven Directors, of which Mr. Lo Lin Shing, Simon Mr. Liu Zhuo Wei, 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.*