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MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

**COMPLETION OF SUBSCRIPTION FOR HK\$2,000,000,000
3% COUPON CONVERTIBLE NOTE DUE 2014
AND
ADJUSTMENT TO SF CONVERTIBLE NOTE DUE 2013**

The Board is pleased to announce that all the conditions precedent under the Subscription Agreement have been fulfilled and the Note was issued on 15 June 2011.

As a result of the issue of the Note, adjustment has been made to the conversion price of the SF Convertible Note in the aggregate principal amount of HK\$466,800,000 in accordance with its terms. Details are set out below.

Reference is made to the announcement of Mongolia Energy Corporation Limited (the "**Company**") dated 12 May 2011 (the "**Announcement**") in relation to the subscription of the Note by Chow Tai Fook Nominee Limited. Unless the context requires otherwise, capitalised terms used herein have the same meaning as those defined in the Announcement.

The Board is pleased to announce that all the conditions precedent under the Subscription Agreement have been fulfilled and the Note in the principal amount of HK\$2,000,000,000 was issued to Chow Tai Fook Nominee Limited on 15 June 2011.

Assuming full conversion of the Note at the initial Conversion Price, a total of 1,000,000,000 Conversion Shares will be allotted and issued, representing approximately 15.14% of the entire issued share capital of the Company as at the date of this announcement and approximately 13.15% of the entire issued share capital of the Company as enlarged by the issue of the Conversion Shares.

The entire proceeds from the issue of the Note have been used by the Company to redeem the 2008 Note in full. The Note will not be listed on the Stock Exchange or any other stock exchange. The approval of the listing of, and permission to deal in, the Conversion Shares was granted by the Listing Committee of the Stock Exchange on 8 June 2011.

ADJUSTMENT TO THE CONVERSION PRICE UNDER THE SF CONVERTIBLE NOTE

Pursuant to the terms and conditions of the SF Convertible Note, the conversion price of the SF Convertible Note has been adjusted from HK\$3.40 per Share to HK\$3.19 per Share and an additional 9,038,172 Shares will be issued upon exercise of the SF Convertible Note as a result of the issue of the Note. Save for the above adjustment, all other terms and conditions of the SF Convertible Note remain unchanged. The above adjustment was computed by the Company in accordance with the terms and conditions of the SF Convertible Note and has been reviewed and confirmed by a financial adviser pursuant to the terms of the SF Convertible Note.

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

Hong Kong, 15 June 2011

As at the date of this announcement, 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.