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MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

This statement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Mongolia Energy Corporation Limited (“**MEC**”) has noted the recent increase in the trading price and volume of its shares and wishes to state that MEC is not aware of any reasons for such increase.

The board of directors (the “**Board**”) advises that MEC has been in discussion with an independent third party relating to a possible co-operation for developing the concession areas of MEC in Mongolia other than the Khushuut Coking Coal Project which may include a possible subscription of new shares of MEC by such independent third party. No forms or terms have been agreed with such independent party so far. Apart from this, MEC is also considering other potential resources projects which may have synergy to our existing business operation. As the matters referred herein may or may not materialize, please exercise caution in dealing with the shares and securities of MEC.

The CEO of MEC has recently issued a Technical Summary and the contents are as follows:-

“As mentioned in the 2010 interim report, MEC has commenced trial production during Q4 of 2010 and has since continued to ship batches of raw coking coal to our customer, Xinjiang Bayi Steel International Trade Co Ltd (Baosteel Bayi).

Baosteel Bayi processed MEC’s Khushuut coal in their existing wash plant facilities and is pleased with the coal quality from our Khushuut mine site. The test results, summarized below, show that MEC’s coal is a high quality coking coal with medium ash, low sulphur content and low volatile matter that can be used for coke production.

Ash%	9.5 – 11.5
Volatile Matter%	19 – 22
Sulphur%	0.42 – 0.66

We are pleased to advise interested parties that Baosteel Bayi is satisfied with the quality of the washed product produced from MEC’s Khushuut raw coal. This coal is considered as a prime coking coal for coke production. We will continue to ramp up our production, and will provide more operational updates in the upcoming results announcement for the financial year ended March 31, 2011.

Since the initial exploration program in 2007, the Company has completed several additional exploration programs in 2008, 2009 and in 2010. The primary purpose of these programs was to improve the understanding of the geological structure and expected coal quality. John T Boyd Company has been involved throughout the exploration work and has completed an updated geological model of the Khushuut coal deposit in May 2011.

The updated resource estimate for in-place coal shows a 5.4% increase from the original estimate in June 2008.

<u>Resources Estimate</u>	<u>In-Place Tonnes ('000)</u>		
	<u>Coal</u>	<u>Parting</u>	<u>Seam</u>
June 2008	134,170	15,067	149,237
Update – May 2011	141,456	not estimated	not estimated
Increase	5.4%	n/a	n/a

The additional exploration data increased the reliability of the estimate such that the resources in 2008 were classified as indicated (according to JORC Standards) and the revised estimate were classified as 44,504,000 tonnes (31.5%) measured and 96,953,000 tonnes (68.5%) indicated.

The coal resources include both hard and semi-hard coking coal with expected washed product quality specifications (air dried basis) of: 10-11% ash, less than 0.5% sulfur and 16-22% volatile matter which is consistent with the actual product after washing the recently shipped raw coal.”

Apart from the above, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under rule 13.23 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), and neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

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, 21 June, 2011

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.