

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

ANNOUNCEMENT

**PARTIAL SETTLEMENT
AND
EXTENSION OF TIME FOR SETTLEMENT OF THE REPAYMENT SUM**

Reference is made to the Company's announcement in relation to the termination of the Transaction on 5 January 2012 regarding acquisition of resources in Xinjiang, the People's Republic of China.

The Company reports that it has on 2 February 2012 received a partial repayment of HK\$50 million from Mr. Liu, leaving the balance of HK\$150 million remains to be settled. Mr. Liu has also requested a further period of up to 31 March 2012 to be granted to him for settlement of the Repayment Sum.

In view of the immediate partial settlement made by Mr. Liu and the reasons set out in this announcement, the Board agrees to grant an extension of time for settlement of the Repayment Sum up to 31 March 2012.

Reference is made to the announcement of Mongolia Energy Corporation Limited (the "**Company**") in relation to the termination of the Transaction on 5 January 2012 regarding acquisition of resources in Xinjiang, the People's Republic of China (the "**Announcement**"). Unless otherwise defined herein, all capitalized terms used herein shall have the same meanings adopted, used, or referred to in the Announcement.

As set out under the Announcement, the Company has requested Mr. Liu to refund the payment of HK\$200 million under the Transaction within 30 days from 5 January 2012. The Company reports that it has received a settlement proposal from Mr. Liu that he could arrange an immediate partial repayment of HK\$50 million and the remaining balance of HK\$150 million (the "**Repayment Sum**") to be made on or before 31 March 2012. According to Mr. Liu, the Repayment Sum is a substantial amount and he requires additional time to arrange necessary fund flow for the settlement.

As (i) the Company could receive an immediate repayment of HK\$50 million as proposed by Mr. Liu; and (ii) the Repayment Sum is a substantial amount and it would be reasonable for Mr. Liu to request further time to arrange settlement thereof, the Board is of the view that it is

in the interest of the Company and its shareholders as a whole to accept the proposal and to grant an extension of time up to 31 March 2012 to Mr. Liu for the settlement of the Repayment Sum.

On 2 February 2012, the Company received the partial repayment of HK\$50 million from Mr. Liu pursuant to the said proposal.

The Company will make further announcement regarding the development as and when appropriate.

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

Hong Kong, 3 February 2012

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.