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**MONGOLIA ENERGY CORPORATION LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 276)**

**ANNOUNCEMENT**

**UPDATE ON THE CONTRACTUAL DISPUTE WITH LEIGHTON**

The Company announces that on 14 February 2013, a writ of summons was served on the Company by Leighton.

**Shareholders of the Company and public investors are reminded to exercise caution when dealing in the securities of the Company.**

Reference is made to the announcement of Mongolia Energy Corporation Limited (the “**Company**”) dated 10 October 2012 (the “**Announcement**”) in relation to MoEnCo LLC’s contractual dispute with Leighton LLC. MoEnCo LLC (“**MoEnCo**”) is an indirect wholly owned operating subsidiary of the Company in Mongolia and Leighton LLC (“**Leighton**”) is the ex-contractor of coal extraction in the Khushuut Coal Mine. Unless otherwise defined, terms used in this announcement shall have the meaning as defined in the Announcement.

The Company announces that a writ of summons (the “**Writ**”) was issued in the Court of First Instance of the High Court of Hong Kong by Leighton against the Company and it was served on the Company by Leighton’s legal adviser on 14 February 2013. In the general endorsement of claim under the Writ, Leighton claims for MNT12,162,710,117 (Mongolian Tugrik) (approximately HK\$67,981,000) against the Company, or alternatively damages for breach of contract by the Company, as surety under a written contract of guarantee made on 2 June 2010, together with interest and costs.

As disclosed in the Announcement, the Company disputes the contractor’s fees invoiced by Leighton and the services provided by Leighton under the Khushuut Mining Agreement. The Company has instructed its legal adviser to defend the claims and to raise counterclaims against Leighton.

Given that the litigation process is at an early stage, the Company considers that it is not practical to assess its potential impact on the Group at this moment. In any event, the Company will vigorously contest the claims and take all steps as appropriate to defend the proceedings. If the Company is found liable for the claims under the Writ, in the absence of unforeseeable circumstances, the Group will still have sufficient working capital for running its business in the ordinary course.

The Company will keep the shareholders of the Company and public investors informed of any further material developments in connection with the above action by way of further announcement(s) as and when appropriate.

**Shareholders of the Company and public investors are reminded 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, 14 February 2013

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