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MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

INSIDE INFORMATION ANNOUNCEMENT

THE APPOINTMENT OF MINING SERVICES CONTRACTOR (OVERBURDEN REMOVAL)

This announcement is made pursuant to Rule 13.09 of Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board of Mongolia Energy Corporation Limited is pleased to announce that on 28 April 2014, MoEnCo entered into a mining services (removal of overburden) agreement with Monnis for appointing it as mining contractor to provide topsoil and overburden removal services for the Khushuut Coal Mine. According to the agreement, the Contractor is principally required to provide blasting, removal of topsoil and overburden, haulage and loading services on the mine site, which are the essential works for the subsequent coal mining to take place.

Apart from Monnis, MoEnCo may seek for another contractor to perform the coal extraction services. The Company plans to resume commercial coal production for export by the fourth quarter this year.

As the resumption of commercial coal production for export is subject to a variety of factors including but not limited to the appointment of other contractors such as coal extraction, the smooth running of the Dry Coal Processing Plant and the Washing Plant, and the market conditions, shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

The appointment of Mining Contractor (Overburden Removal)

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board of Mongolia Energy Corporation Limited (the “**Company**”) is pleased to announce that on 28 April 2014, MoEnCo LLC (“**MoEnCo**”), an indirect wholly owned subsidiary of the Company, entered into a mining services (removal of overburden) agreement (the “**Agreement**”) with Monnis Mining Equipment LLC (“**Monnis**” or the “**Contractor**”) for appointing it as mining contractor to provide topsoil and overburden removal services for the Khushuut Coal Mine.

The Parties

Employer

MoEnCo is an indirect wholly owned subsidiary of the Company and also the license holder of the Khushuut Coal Mine.

Contractor

Monnis is a subsidiary of Monnis International Inc.. The Monnis group is a reputable conglomerate in Mongolia, one of Mongolia's largest industrial holding companies. With over 1,500 employees and 15 subsidiaries, The Monnis group is a national leader in aviation, automotive, mining support services, energy, construction, property management, technology, insurance and logistics. Monnis International Inc., the holding company of Monnis group of companies, has been listed as one of the “Top 100 Enterprises of Mongolia” by the Mongolian National Chamber of Commerce and Industry for the past consecutive 8 years.

To the best knowledge of the board of the Company, Monnis is an independent third party not connected with the Company (as defined in the Listing Rules).

Principal terms of the Agreement

The principal terms of the Agreement, among others, are as follows:

Term

The term of the Agreement is for a period of 36 months.

Principal scope of services

The Contractor is principally required to provide blasting, removal of topsoil and overburden, haulage and loading services on the mine site.

Plant and Equipment

The Contractor shall provide manpower and materials, machineries, camps, equipment, facilities, and fuel supply; construct blasting supplies magazine on the mine site; provide ancillary materials and resources for the provision of the overburden removal services.

Service Fee of the Contractor

The service fee of the Contractor is based on the volume of the engineering works in bank cubic meters completed by the Contractor (drilling, blasting, loading and hauling works). Based on our current estimation, the service fee for the Contractor in the 2014 calendar year will be approximately US\$18,000,000. However, the overburden removal quantity could be adjusted by MoEnCo as provided under the Agreement in response to the market conditions and the service fee would be adjusted accordingly.

Others

The funding of the service fee under the Agreement will be provided by the internal resources of the Company.

Apart from Monnis, MoEnCo may seek another contractor to perform the coal extraction services. We plan to resume commercial coal export by the fourth quarter this year.

The Dry Coal Processing Plant on the mine site is at the final installation stage. We are targeting its test run in or around the second week of May and State commissioning work will soon follow. The installation of washing plant in Xinjiang is targeted to complete this early summer, and test run is scheduled to commence immediately following that.

As the resumption of commercial coal production for export is subject to a variety of factors including but not limited to the appointment of other contractors such as coal extraction, the smooth running of the Dry Coal Processing Plant and the Washing Plant, and the market conditions, shareholders of the Company and potential investors are advised 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, 28 April, 2014

As at the date of this announcement, the Board comprises six Directors, of which Mr. Lo Lin Shing, Simon 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.