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MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

COMPLETION OF THE SUBSCRIPTION OF THE 2014 CONVERTIBLE NOTES AND SETTLEMENT OF THE EXISTING CONVERTIBLE NOTES

COMPLETION OF THE SUBSCRIPTIONS

The Board is pleased to announce that all conditions precedent under the Subscription Agreements have been fulfilled and the completion of the Subscriptions was taken place on 21 November 2014.

SETTLEMENT OF THE EXISTING CONVERTIBLE NOTES

Upon issue of the 2014 Convertible Notes, all outstanding principal amounts and accrued interests of the Existing 3.5% GI Convertible Note, the Existing 5% GI Convertible Note, the Existing 3% CTF Convertible Note, the Existing 5% CTF Convertible Note and the Existing SF Convertible Notes were settled.

References are made to the announcement of the Company dated 19 September 2014 and the circular of the Company dated 24 October 2014 (the “**Circular**”) in relation to, among others, the Subscriptions and the Whitewash Waiver. Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Circular.

COMPLETION OF THE SUBSCRIPTIONS

The Board is pleased to announce that all conditions precedent under the Subscription Agreements have been fulfilled and completion of the Subscriptions was taken place on 21 November 2014.

Set out below are the respective subscribers and principal amounts of the 2014 Convertible Notes.

2014 Convertible Notes	Subscribers	Principal amounts (HK\$)
2014 GI Convertible Note	GI Subscriber	542,315,254
2014 CTF Convertible Note	CTF Subscriber	2,424,821,918
2014 SF Convertible Notes	Sculptor Finance (MD) Ireland Limited	332,869,000
2014 SF Convertible Notes	Sculptor Finance (AS) Ireland Limited	152,313,000
2014 SF Convertible Notes	Sculptor Finance (SI) Ireland Limited	14,696,000

SETTLEMENT OF THE EXISTING CONVERTIBLE NOTES

Upon issue of the 2014 Convertible Notes, all outstanding principal amounts and accrued interests of the Existing 3.5% GI Convertible Note, the Existing 5% GI Convertible Note, the Existing 3% CTF Convertible Note, the Existing 5% CTF Convertible Note and the Existing SF Convertible Notes were settled.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, save for (i) the 2014 Convertible Notes and (ii) the Share Options entitling the holders thereof to subscribe for an aggregate of 21,700,000 Shares (the “**Outstanding Share Options**”), there are no other outstanding options, warrants, derivatives, or other securities which carry rights to subscribe for or to be converted into Shares.

The table below illustrates the shareholding structures of the Company as at the date of this announcement and under the following scenarios (assuming that there is no other change in the issued share capital and shareholding structure of the Company from the date of this announcement up to the occurrence of the relevant events mentioned below):

Scenario I: immediately upon full conversion of the principal amount of the 2014 GI Convertible Note of HK\$542,315,254 and the accrued interest thereon of HK\$81,347,288.10 (calculated from the date of issue of the 2014 GI Convertible Note until its maturity) at the initial Conversion Price of HK\$0.920 per Share only;

Scenario II: immediately upon full conversion of the principal amount of the 2014 CTF Convertible Note of HK\$2,424,821,918 and the accrued interest thereon of HK\$363,723,287.70 (calculated from the date of issue of the 2014 CTF Convertible Note until its maturity) at the initial Conversion Price of HK\$0.920 per Share only;

- Scenario III: immediately upon full conversion of the aggregate principal amount of the 2014 SF Convertible Notes of HK\$499,878,000 and the accrued interest thereon of HK\$74,981,700.00 (calculated from the date of issue of the 2014 SF Convertible Notes until their maturity) at the initial Conversion Price of HK\$0.920 per Share only;
- Scenario IV: for illustration purpose only, occurrence of scenarios I and II above only;
- Scenario V: for illustration purpose only, occurrence of scenarios I, II and III above; and
- Scenario VI: for illustration purpose only, occurrence of scenarios I, II and III above, and upon exercise of all Outstanding Share Options.

	As at the date of this announcement	
	<i>Number of Shares</i>	<i>Approximate %</i>
The Concert Group		
GI Subscriber and its concert parties	303,197,075 <i>(Note 1)</i>	17.95
CTF Subscriber and its concert parties	56,250,000	3.33
Dragon Noble Group Limited and its concert parties <i>(Note 2)</i>	<u>98,667,500</u>	<u>5.84</u>
Subtotal	458,114,575	27.12
SF Subscribers	—	—
Other directors of the Group <i>(Note 3)</i>	1,820,800	0.11
Other public Shareholders	<u>1,229,201,582</u>	<u>72.77</u>
Total	<u><u>1,689,136,957</u></u>	<u><u>100.00</u></u>

	Scenario I		Scenario II		Scenario III		Scenario IV		Scenario V		Scenario VI	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares (Note 4)	Approximate %	Number of Shares (Note 4)	Approximate %	Number of Shares (Note 4)	Approximate %
The Concert Group												
GI Subscriber and its concert parties	981,091,142	41.45	303,197,075	6.42	303,197,075	13.10	981,091,142	18.18	981,091,142	16.29	987,841,142	16.34
CTF Subscriber and its concert parties	56,250,000	2.37	3,087,277,397	65.41	56,250,000	2.43	3,087,277,397	57.19	3,087,277,397	51.26	3,087,277,397	51.08
Dragon Noble Group Limited and its concert parties (Note 2)	98,667,500	4.17	98,667,500	2.09	98,667,500	4.26	98,667,500	1.83	98,667,500	1.64	98,667,500	1.63
Subtotal	1,136,008,642	47.99	3,489,141,972	73.92	458,114,575	19.79	4,167,036,039	77.20	4,167,036,039	69.19	4,173,786,039	69.05
SF Subscribers	—	—	—	—	624,847,500	27.00	—	—	624,847,500	10.37	624,847,500	10.34
Other directors of the Group (Note 3)	1,820,800	0.08	1,820,800	0.04	1,820,800	0.08	1,820,800	0.03	1,820,800	0.03	5,320,800	0.09
Other public Shareholders	1,229,201,582	51.93	1,229,201,582	26.04	1,229,201,582	53.13	1,229,201,582	22.77	1,229,201,582	20.41	1,240,651,582	20.52
Total	2,367,031,024	100.00	4,720,164,354	100.00	2,313,984,457	100.00	5,398,058,421	100.00	6,022,905,921	100.00	6,044,605,921	100.00

Notes:

1. Among the 303,197,075 Shares, 1,240,000 Shares represent interest of Mr. Lo on an individual basis; while 301,519,575 Shares represent interest of the GI Subscriber. The balance of 437,500 Shares represent interest of Ms. Ku Ming Mei, Rouisa, the spouse of Mr. Lo.
2. Dragon Noble Group Limited is a company wholly and beneficially owned by Dr. Cheng Kar Shun, Henry.
3. Other directors of the Group include Ms. Yvette Ong, Mr. To Hin Tsun, Gerald, Mr. Tsui Hing Chuen, William, Mr. Lau Wai Piu, Mr. Peter Pun and Mr. Tang Chi Kei.
4. Pursuant to the terms of the 2014 Convertible Notes, if the issue of the Conversion Shares pursuant to the exercise of the Conversion Right would result in the Company failing to meet the public float requirements as prescribed under the Listing Rules from time to time, such Conversion Right shall be deemed to have been exercised pursuant to such conversion notice such that the Company shall issue the maximum number of Conversion Shares under such conversion notice without breaching the then public float requirement. Accordingly, scenarios IV, V and VI above are shown for illustrative purpose only.

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

Hong Kong, 21 November 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 the executive Directors, Mr. To Hin Tsun, Gerald is the non-executive Director, and Mr. Peter Pun OBE, JP, Mr. Tsui Hing Chuen, William JP, and Mr. Lau Wai Piu are the independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.