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MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 276)

INSIDE INFORMATION

BUSINESS UPDATE

Our raw coal export to The People's Republic of China has been temporary suspended due to the sudden border infrastructure installation and vehicular security management measures implemented by the Xinjiang border authorities.

This announcement is made by Mongolia Energy Corporation Limited (the “**Company**”) pursuant to Rule 13.09(2) 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 (Chapter 571, the Laws of Hong Kong).

During the Easter holidays, MoEnCo LLC, our wholly-owned subsidiary, was verbally informed by the Xinjiang authorities that raw coal import was required to be suspended with immediate effect. Over the last week, we were ascertaining the position and information from the relevant authorities and the criteria for lifting such restriction. We have been given to understand that the restriction relates to border infrastructure installation and vehicular security management measures, and we are required to install certain security devices to the authorities' satisfaction before such restriction is lifted. We are working closely with the relevant government authorities to address their request for resuming our coal export as soon as possible.

While we are assessing the impact of the sudden suspension on coal import by the Xinjiang authorities, if the suspension is lifted shortly, the impact may not be significant. Otherwise, we would request our on-site contractors to suspend works in early May 2017 in order to minimize our operation costs. We will closely monitor the developments and make announcement in due course.

Made by the order of the Board of Directors (except Mr. To Hin Tsun, Gerald, Mr. Tsui Hing Chuen, William *JP* and Mr. Lee Kee Wai, Frank who cannot be contacted for being out of town) of which individually and jointly accept responsibility for the accuracy of this announcement.

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

Hong Kong, 25 April 2017

As at the date of this announcement, the Board comprises seven Directors, including Mr. Lo Lin Shing, Simon and Ms. Yvette Ong as executive Directors, Mr. To Hin Tsun, Gerald and Mr. Lo, Rex Cze Kei as non-executive Directors, and Mr. Tsui Hing Chuen, William JP, Mr. Lau Wai Piu, and Mr. Lee Kee Wai, Frank as independent non-executive Directors.