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MONGOLIA ENERGY CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 276)

INSIDE INFORMATION

BUSINESS UPDATE

The Board is pleased to announce that the coal import halt at the Xinjiang Takeshiken customs border has now been lifted and we have resumed coal export into Xinjiang through this border. Our operation on the mine site has also been resumed and our Xinjiang washing plant will begin processing after the arrival of the raw coking coal.

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).

We refer to our announcement dated 19 May 2017 (the “**Announcement**”).

Under a temporary arrangement, we were given permission to use an alternative customs border for coal import into Xinjiang for two weeks from 16 May 2017. Due to the trial nature of this border for bulk shipping and the road conditions, we achieved an export of 14,599 tons of raw coking coal into Xinjiang for sales through this alternative border. We will continue to work with the Xinjiang officials to explore more efficient use of this alternative border in the future as and when necessary.

The Board is pleased to announce that the border security system is now upgraded and we are no longer be responsible for the construction of the border security infrastructures but we will continue to install the requisite devices on our trucks for the purpose of vehicular security control. In the meantime, the Xinjiang Takeshiken customs border has agreed to lift the import halt and we could resume coal export into Xinjiang by trucks through this border starting from 8 June 2017 upon the installation of the requisite devices to their satisfaction. Our export of raw coking coal into Xinjiang and operation on the mine

site have been resumed and our Xinjiang washing plant will begin processing after the arrival of the raw coking coal.

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

Hong Kong, 12 June 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.