

**For Immediate Release****MEC secures Baosteel Bayi of the Baosteel Group  
as anchor customer through years 2010 to 2020****MEC to supply at least 9.6 million to 10 million tonnes  
of its Khushuut premium coking coal with upside**

**HONG KONG, January 18, 2010 – Mongolia Energy Corporation Limited (HKSE: 276) (“MEC” or the “Group”)** announced today that it has secured Baosteel Group Xinjiang Bayi Iron & Steel Co. Ltd (寶鋼集團新疆八一鋼鐵有限公司) (“**Baosteel Bayi**”) of the Baosteel Group Corporation (寶鋼集團有限公司) (“Baosteel Group”) as anchor customer through years 2010-2020.

Under a long term coal supply agreement of today, Baosteel Bayi has agreed to purchase from MEC's operating company in Mongolia, MoEnCo LLC (“**MoEnCo**”)’s Khushuut coking coal production, subject to a minimum of at least 9.6 million to 10 million tonnes through the years with upside from a desired purchase of accelerated and further productions.

At June, 2009 market prices for premium coking coal, which MEC is capable of supplying, benchmarks at between RMB1,050 per tonne (average quality) to RMB1,350 per tonne (high quality), delivered to Xinjiang customers, according to initial market study report by Shanxi Fenwei Energy Consulting Co Ltd. MEC, on final delivery terms is scheduled to deliver up to 1 million tonnes through to 2011 and at least 1 million tonnes per year through to 2020.

Baosteel Bayi is the major shareholder of Xinjiang Bayi Iron & Steel Co. Ltd (新疆八一鋼鐵股份有限公司) which is listed on the Shanghai Stock Exchange with the stock code: 600581 ([www.bygt.com.cn](http://www.bygt.com.cn)). Baosteel Bayi is a member of the Baosteel Group Corporation (寶鋼集團有限公司) ([www.baosteel.com](http://www.baosteel.com)). Baosteel Bayi group’s current production capacity is around 7 million tonnes of steel products per annum.

**About Mongolia Energy Corporation Limited**

MEC acquires energy and resources concessions and its business model is to acquire concessions and to have a strong in-house team, including industry veterans in the geological, mining and legal areas to lead exploration, development and compliance aspects. It is “an energy and resources developer”. MEC is a Hong Kong listed company with a market capitalization of US\$3.5 billion based on the closing price of HK\$4.46 per share on January 18, 2010.

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**Please note:** The above information contains forward-looking statements that involve risks and uncertainties and are based on information MEC in good faith believes to be reliable as of the date thereof. The actual results may differ. Please exercise care and caution and read the information with the announcements and circulars and information set out under [www.mongolia-energy.com](http://www.mongolia-energy.com), which the information is subject to. All figures are approximation.