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山東墨龍石油機械股份有限公司

Shandong Molong Petroleum Machinery Company Limited*

(a sino-foreign joint stock limited company incorporated in the People's Republic of China with liability)

(Stock code: 8261)

**RESULTS OF EXTRAORDINARY GENERAL MEETING AND CLASS
MEETINGS REGARDING
PROPOSED SPECIFIC MANDATE TO ISSUE NEW H SHARES
RELATING TO
A POSSIBLE PLACING OF NEW H SHARES PURSUANT TO
THE PROPOSED SPECIFIC MANDATE**

The Board wishes to announce that the respective special resolution set out in the notices to the EGM and the two separate Class Meetings relating to the approval for the grant of the Specific Mandate to issue new H Shares and the Possible Placing was duly passed at the EGM and the two separate Class Meetings held on 14 February 2005, respectively. Accordingly, the Shareholders have granted to the Board the Specific Mandate. The Possible Placing is conditional upon (a) the approval of the proposed issue of the new H Shares pursuant to the proposed Special Mandate by CSRC; (b) the entering into of a placing agreement by, among other parties, the Company and the placing agents (to be appointed prior to the Possible Placing) and the placing agreement not being terminated in accordance with its terms; and (c) the GEM Listing Committee granting listing of and permission to deal in all of the new H Shares to be issued and placed pursuant to the Possible Placing. There is no assurance that any of the conditions to the Possible Placing will be fulfilled and therefore the Possible Placing may or may not proceed at all. Investors should therefore exercise caution when dealing in the H Shares.

Reference is made to the circular published and despatched by the Company dated 28 December 2004 (the “**Circular**”) in relation to the Company’s proposed Specific Mandate to issue new H Shares and the Possible Placing pursuant to the Specific Mandate. Unless defined otherwise, terms in this announcement shall have the same meanings as those defined in the Circular.

The Board wishes to announce that the respective special resolution set out in the notices to the EGM and the two separate Class Meetings relating to the approval for the grant of the Specific Mandate to issue new H Shares and the Possible Placing of new H Shares pursuant to the Specific Mandate was duly passed at the EGM and the two separate Class Meetings of the holders of Domestic Shares and the holders of H Shares held on 14 February 2005, respectively. Accordingly, the Shareholders have granted to the Board the Specific Mandate. Shareholders are advised that the Board will only exercise its power under the Special Mandate if the necessary approvals from the CSRC and/or other relevant PRC government authorities have been obtained.

RESULTS OF THE EGM

The EGM was held at 10:00 a.m. on Monday, 14 February, 2005 at No. 99 Beihai Road, Shouguang City, Shandong Province. A poll was demanded by the Chairman of the EGM for voting on the following resolution and the poll results in respect of such resolution are as follows:

Special Resolution	No. of votes (%)		Total no. of shares held by the shareholders who attend the EGM and have the right to vote
	For	Against	
To approve the grant of the special mandate to issue new H Shares	469,954,000 99.998%	8,000 (0.002%)	469,962,000

(i) there were 539,998,000 shares entitling the holder to attend and vote for or against the special resolution proposed at the EGM; and

(ii) there were no shares entitling the holder to attend and vote only against the special resolution proposed at the EGM.

As 99.998% of the votes were casted in favour of the special resolution, the special resolution was duly passed.

RESULTS OF THE CLASS MEETING OF THE HOLDERS OF H SHARES

The Class Meeting of the holder of H Shares was held at 10:30 a.m. on Monday, 14 February, 2005 at No. 99 Beihai Road, Shouguang City, Shandong Province. A poll was demanded by the Chairman of the Class Meeting of the holder of H Shares for voting on the following resolution and the poll results in respect of such resolution are as follows:

Special Resolution	No. of votes (%)		Total no. of shares held by the shareholders who attend the Class Meeting of the holder of H Shares and have the right to vote
	For	Against	
To approve the grant of the special mandate to issue new H Shares	79,652,000 (100%)	0	79,652,000

(i) there were 138,276,000 shares entitling the holder to attend and vote for or against the special resolution proposed at the Class Meeting of the holders of H Shares; and

(ii) there were no shares entitling the holder to attend and vote only against the special resolution proposed at the Class Meeting of the holders of H Shares.

As 100% of the votes were casted in favour of the special resolution, the special resolution was duly passed.

RESULTS OF THE CLASS MEETING OF THE HOLDERS OF DOMESTIC SHARES

The Class Meeting of the holder of Domestic Shares was held at 11:00 a.m. on Monday, 14 February, 2005 at No. 99 Beihai Road, Shouguang City, Shandong Province. A poll was demanded by the Chairman of the Class Meeting of the holder of Domestic Shares for voting on the following resolution and the poll results in respect of such resolution are as follows:

Special Resolution	No. of votes (%)		Total no. of shares held by the shareholders who attend the Class Meeting of the holder of Domestic Shares and have the right to vote
	For	Against	
To approve the grant of the special mandate to issue new H Shares	401,722,000 (100%)	0	401,722,000

(i) there were 401,722,000 shares entitling the holder to attend and vote for or against the special resolution proposed at the Class Meeting of the holders of Domestic Shares; and

(ii) there were no shares entitling the holder to attend and vote only against the special resolution proposed at the Class Meeting of the holders of Domestic Shares.

As 100% of the votes were casted in favour of the special resolution, the special resolution was duly passed.

山東正德會計師事務所有限公司 (Shandong Zheng De C.P.A. Company Limited), the external accountant of the Company, acted as a scrutineer for the vote-taking in respect of the EGM and the two separate Class Meetings.

The Possible Placing is conditional upon (a) the approval of the proposed issue of the new H Shares pursuant to the proposed Special Mandate by CSRC; (b) the entering into of a placing agreement by, among other parties, the Company and the placing agents (to be appointed prior to the Possible Placing) and the placing agreement not being terminated in accordance with its terms; and (c) the GEM Listing Committee granting listing of and permission to deal in all of the new H Shares to be issued and placed pursuant to the Possible Placing. There is no assurance that any of the conditions to the Possible Placing will be fulfilled and therefore the Possible Placing may or may not proceed at all. Investors should therefore exercise caution when dealing in the H Shares.

As at the date of this announcement, the executive Directors of the Company are Zhang En Rong, Lin Fu Long, Zhang Yun San, Xie Xin Cang, the non-executive Directors are Chen Jian Xiong, Wang Ping and the independent non-executive Directors are Qin Xue Chang, Yan Yi Zhuang and Loke Yu alias Loke Hoi Lam.

By Order of the Board
Shandong Molong Petroleum Machinery Company Limited
Zhang En Rong
Chairman

Shandong, The PRC, 14 February 2005

** For identification purposes only.*

This announcement will remain on the GEM website on the “Latest Company Announcements” page for at least 7 days from the date of its posting.