



# 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 limited liability)

(Stock Code: 8261)

## FORM OF PROXY

**Form of proxy for use by shareholders at the extraordinary general meeting ("Meeting") of Shandong Molong Petroleum Machinery Company Limited to be held at No. 99 Beihai Road, Shouguang City, Shandong Province, The People's Republic of China on 28 November 2005 (Monday) at 3:00 p.m. and at any adjournment thereof.**

I/We (Note 1) \_\_\_\_\_

of \_\_\_\_\_

being the registered holder(s) of \_\_\_\_\_ (Note 2) share(s) of RMB0.10 each in the capital of Shandong Molong Petroleum Machinery Company Limited (the "**Company**") hereby appoint \_\_\_\_\_

of \_\_\_\_\_

or failing him \_\_\_\_\_

of \_\_\_\_\_

or the chairman of the Meeting to act as my/our proxies (Note 3) to attend, act and vote on my/our behalf at the Meeting of the Company to be held at No. 99 Beihai Road, Shouguang City, Shandong Province, The People's Republic of China on 28 November 2005 (Monday) at 3:00 p.m. and at any adjournment thereof (and to exercise all rights conferred on proxies under law, regulation and the articles of association of the Company) for the purposes of considering and, if thought fit, to vote on my/our behalf and in my/our name(s) in respect of the Resolutions set out in the Notice of the Meeting as directed below:

<b>Ordinary resolutions</b> (Note 5)	<b>FOR</b> (Note 4)	<b>AGAINST</b> (Note 4)
1. To approve, confirm and ratify a conditional agreement dated 22 September 2005 (the " <b>Oil Well Pipe and Casing Billets Supply Agreement</b> ") entered into between the Company and 威海寶隆石油專材有限公司 (Weihai Baolong Special Petroleum Company Limited) (" <b>Weihai Baolong</b> ") in relation to the supply of oil well pipe and casing billets to the Company by Weihai Baolong for a term from 28 November 2005 to 31 December 2007, the continuing connected transactions contemplated thereunder and the proposed annual caps for the continuing connected transactions contemplated thereunder; and to authorize any director of the Company to execute the Oil Well Pipe and Casing Billets Supply Agreement and do such other acts and things and execute such other documents which in their opinion may be necessary or desirable to implement the Oil Well Pipe and Casing Billets Supply Agreement for and on behalf of the Company.		
2. To approve, confirm and ratify a conditional agreement dated 22 September 2005 (the " <b>Metallurgy Accessories Supply Agreement</b> ") entered into between the Company and 壽光墨龍機電設備有限公司 (Shouguang Molong Electro-mechanical Equipment Company Limited) (" <b>Molong Equipment</b> ") in relation to the supply of metallurgy accessories to the Company by Molong Equipment for a term from 28 November 2005 to 31 December 2007, the continuing connected transactions contemplated thereunder and the proposed annual caps for the continuing connected transactions contemplated thereunder; and to approve any director of the Company to execute the Metallurgy Accessories Supply Agreement and do such other acts and things and execute such other documents which in their opinion may be necessary or desirable to implement the Metallurgy Accessories Supply Agreement for and on behalf of the Company.		

<p>3. To approve, confirm and ratify a conditional agreement dated 22 September 2005 (the “<b>Scrap and Used Metals Supply Agreement</b>”) entered into between the Company and Molong Equipment in relation to the supply of scrap and used metals by the Company to Molong Equipment for a term from 28 November 2005 to 31 December 2007, the continuing connected transactions contemplated thereunder and the proposed annual caps for the continuing connected transactions contemplated thereunder; and to authorize any director of the Company to execute the Scrap and Used Metals Supply Agreement and do such other acts and things and execute such other documents which in their opinion may be necessary or desirable to implement the Scrap and Used Metals Supply Agreement for and on behalf of the Company.</p>		
<p>4. To approve, confirm and ratify a conditional agreement dated 22 September 2005 (the “<b>Machinery Accessories Supply Agreement</b>”) entered into between the Company and Molong Equipment in relation to the supply of machinery accessories to the Company by Molong Equipment with effect from 28 November 2005 and the connected transaction contemplated thereunder; and to authorize any director of the Company to execute the Machinery Accessories Supply Agreement and do such other acts and things and execute such other documents which in their opinion may be necessary or desirable to implement the Machinery Accessories Supply Agreement for and on behalf of the Company.</p>		

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 2005. Shareholders signature: \_\_\_\_\_ (Note 6)

*Notes:*

1. Full name(s) and address(es) are to be inserted in **BLOCK CAPITALS**.
2. Please insert the number of share(s) registered in your name(s). If no number is inserted, this form of proxy will be deemed to relate to all the shares in the capital of the Company registered in your name(s).
3. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote (on show of hand and on a poll if a proxy is appointed, however, if more than one proxy is appointed, by poll only) on his behalf. A proxy need not be a member of the Company. If any proxy other than the chairman of the Meeting is preferred, please delete the words “the chairman of the Meeting or’ and insert the full name(s) and address(es) of the proxy/proxies desired in the space provided. The proxy need not be a member of the Company but must attend the meeting in person in order to represent you.
4. **IMPORTANT: IF YOU WISH TO VOTE FOR ANY OF THE RESOLUTIONS, PLEASE TICK (“√”) THE RELEVANT BOX MARKED “FOR”. IF YOU WISH TO VOTE AGAINST A RESOLUTIONS, PLEASE TICK (“√”) IN THE RELEVANT BOX MARKED “AGAINST”.** If you wish to vote only part of the number of H Shares in respect of which the proxy is so appointed, please state the exact number of H Shares in lieu of tick (“√”) in the relevant box. On a poll taken at the Meeting, a shareholder (including his proxy/proxies) entitled to two or more votes need not cast all his votes in the same way. Failure to tick (“√”) or state the exact number of shares in any box will entitle your proxy to cast your vote at his discretion. Your proxy will also be entitled to vote at his discretion on any resolution (or amendment thereto) properly put to the Meeting other than those set out in the notice convening the Meeting.
5. Ordinary resolution shall be passed by an affirmative vote of more than half of the Company’s total voting shares held by the shareholders who are present at the same meeting (including proxies).
6. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders(s). For this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding. Only one of the joint holders needs to sign.
7. The form of proxy must be signed by you or your attorney duly authorised in writing, or in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
8. To be valid, this form of proxy together with any power of attorney (if any) or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the offices of the Company’s H share registrar, Tricor Investor Services Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 24 hours before the time appointed for holding the Meeting or any adjourned thereof.
9. Any alteration made to this form of proxy must be initialed by the person who signs it.
10. Completion and return of this form of proxy will not preclude you from attending and voting at the Meeting if you so wish. In the event that you attend the Meeting after having lodged this form of proxy, this form of proxy will be deemed to have been revoked.