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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 limited liability)*

**(Stock code: 8261)**

## **RESULTS OF EXTRAORDINARY GENERAL MEETING HELD ON 28 NOVEMBER 2005**

The Board wishes to announce that the respective ordinary resolutions set out in the notice to the EGM were duly passed at the EGM held on 28 November 2005.

Reference is made to the circular published and despatched by the Company dated 7 October 2005 (the “**Circular**”) in relation to the Company’s proposed Continuing Connected Transactions and Connected Transaction. 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 ordinary resolutions set out in the notice to the EGM relating to the approval for the Continuing Connected Transactions and Connected Transaction were duly passed at the EGM held on 28 November 2005.

## RESULTS OF THE EGM

The EGM was held at 3:00 p.m. on Monday, 28 November, 2005 at No. 99 Beihai Road, Shouguang City, Shandong Province, The People's Republic of China. A poll was demanded by the Chairman of the EGM for voting on the following ordinary resolutions and the poll results in respect of such resolutions are as follows:

	Ordinary Resolutions	Number of votes	
		For	Against
	That:		
1.	the Oil Well Pipe and Casing Billets Supply Agreement, the continuing connected transactions contemplated thereunder and the proposed annual caps for the continuing connected transactions contemplated thereunder be approved, ratified and confirmed;	135,393,200 H shares	0 H shares
2.	the Metallurgy Accessories Supply Agreement, the continuing connected transactions contemplated thereunder and the proposed annual caps for the continuing connected transactions contemplated thereunder be approved, ratified and confirmed;	21,301,000 Domestic Shares	0 Domestic Shares
		Total: 156,694,200 (100.00%)	Total: 0 (0%)
3.	the Scrap and Used Metals Supply Agreement, the continuing connected transactions contemplated thereunder and the proposed annual caps for the continuing connected transactions contemplated thereunder be approved, ratified and confirmed; and		
4.	the Machinery Accessories Supply Agreement, and the connected transactions contemplated thereunder be approved, ratified and confirmed;		
	and that any director of the Company be authorized to execute the Oil Well Pipe and Casing Billets Supply Agreement, the Metallurgy Accessories Supply Agreement, the Scrap and Used Metals Supply Agreement and the Machinery Accessories Supply Agreement as set out in the four resolutions above and do such other acts and things and execute such other documents which in his opinion may be necessary or desirable to implement these agreements for and on behalf of the Company.		

There were 246,276,000 H Shares (the total issued H Shares) and 21,301,000 Domestic Shares (being the number of the total issued Domestic Shares less the number of Domestic Shares held by Mr. Zhang En Rong, Mr. Lin Fu Long, Mr. Zhang Yun San, Mr. Xie Xin Cang, Mr. Liu Yun Long and their respective associates) entitling the holders to attend and vote for or against the ordinary resolutions proposed at the EGM.

There were no shares entitling the holder to attend and vote only against any of the ordinary resolutions proposed at the EGM.

All the votes attaching to the shares in the Company held by the shareholders of the Company other than Mr. Zhang En Rong, Mr. Lin Fu Long, Mr. Zhang Yun San, Mr. Xie Xin Cang, Mr. Liu Yun Long and their respective associates present and voting in person or by proxy at the EGM were cast in favour of the above resolutions. Hence, the above resolutions number 1 to 4 were duly passed as ordinary resolutions.

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.

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 and 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, 29 November 2005

\* *For identification purpose only.*

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