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*This announcement, for which the directors of Shandong Molong Petroleum Machinery Company Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Shandong Molong Petroleum Machinery Company Limited. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*



**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)**

### **DELAY IN DESPATCH OF CIRCULAR**

The despatch of the Circular in connection with the continuing connected transaction of the Company referred to in the announcement issued by the Company on 25 September 2006 is expected to be delayed from 16 October 2006 to on or before 19 October 2006.

The board of directors (the “**Board**”) of Shandong Molong Petroleum Machinery Company Limited (the “**Company**”) refers to the continuing connected transaction of the Company described in the announcement issued by the Company on 25 September 2006 regarding the supplemental agreement entered into between the Company and 壽光墨龍機電設備有限公司 (Shouguang Molong Electromechanical Equipment Company Limited) (“**Molong Equipment**”) on 22 September 2006. The Board would like to announce that the despatch of the circular in respect of the above continuing connected transaction (the “**Circular**”) is expected to be delayed from 16 October 2006 to on or before 19 October 2006 as more time is needed to ascertain certain information to be included in the Circular.

An application has been made by the Company to The Stock Exchange of Hong Kong Limited for a waiver from strict compliance with the 21 days deadline for the despatch of circular requirement set out in Rule 20.49 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

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

Shandong, the PRC, 16 October 2006

*\* For identification purpose only*

*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 Yue Chang, Yan Yi Zhuang and Loke Yu.*

*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.*