



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 FOR USE AT THE EXTRAORDINARY GENERAL MEETING TO BE HELD ON 5 DECEMBER 2006 AT 9:00 A.M. OR AT ANY ADJOURNMENT THEREOF

I/We^(Note 1) _____
of _____
being the registered holder(s) of _____
domestic/H shares of RMB0.10 each^(Note 2) in the capital of **Shandong Molong Petroleum Machinery Company Limited** (the "Company"),
HEREBY APPOINT the Chairman of the Meeting or ^(Note 3) _____
of _____
or failing him _____
of _____
to act as my/our proxy to attend, act and vote on my/our behalf at the extraordinary general meeting of the Company to be held at No. 99 Beihai Road, Shouguang City, Shandong Province, the People's Republic of China on 5 December 2006 at 9:00 a.m. (the "Meeting") (or any adjournment thereof) for the purpose of considering and, if thought fit, passing the special/ordinary resolutions as set out in the notice convening the Meeting.

SPECIAL RESOLUTIONS		For ^(Note 4)	Against ^(Note 4)
1.	To approve the Proposed Introduction (as defined in the notice convening the Meeting), the implementation of the Proposed Withdrawal (as defined in the notice convening the Meeting) and the reduction in the minimum notice period in respect of the Proposed Withdrawal.		
2.	(a) To grant a general mandate to the directors of the Company to allot, issue and deal with additional shares of the Company not exceeding 20% of the aggregate nominal amount of the issued H share capital of the Company and 20% of the aggregate nominal amount of the issued domestic share capital of the Company as at the date of passing this resolution. (b) To revoke the general mandate to issue shares of the Company granted to the directors of the Company at the annual general meeting of the Company held on 12 May 2006.		
3.	To approve the various amendments to the Existing Articles as set out in Resolution No. 3 in the notice convening the Meeting.		
ORDINARY RESOLUTIONS		For ^(Note 4)	Against ^(Note 4)
4.	To approve, ratify and confirm a conditional agreement (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) on 22 September 2006 in relation to the extension of the term of the agreement on 20 March 2004 between the same parties, to 31 December 2007, the continuing connected transactions contemplated thereunder and the proposed annual caps for the continuing connected transactions.		
5.	To approve (a) the declaration and payment of an interim dividend of RMB1.5 cents per share in respect of the six months ended 30 June 2006, to shareholders whose names appear on the register of members of the Company on 4 December 2006 (the "Dividend Declaration and Payment"); and (b) the directors of the Company to do such acts and things, enter into all such transactions and arrangements, execute such other documents and/or deeds and/or take all such steps, which in their opinion may be necessary, desirable or expedient to implement the Dividend Declaration and Payment.		

Dated _____ Signature(s) ^(Note 5) _____

NOTES:

- Please insert full name(s) and address(es) in **BLOCK CAPITALS**.
- Please insert the number of domestic/H shares registered in your name(s). If no number is inserted, this form of proxy will be deemed to relate to all the domestic/H shares in the capital of the Company registered in your name(s).
- If any proxy other than the Chairman of the Meeting is preferred, strike out the words "the Chairman of the Meeting or" and insert the name and address of the proxy desired in the space provided. **ANY ALTERATION MADE TO THIS FORM OF PROXY MUST BE DULY INITIALED BY THE PERSON WHO SIGNS IT.**
- IMPORTANT: IF YOU WISH TO VOTE FOR THE RESOLUTION, PLEASE TICK THE BOX MARKED "FOR". IF YOU WISH TO VOTE AGAINST THE RESOLUTION, PLEASE TICK THE BOX MARKED "AGAINST"**. Failure to complete any or all the boxes will entitle your proxy to cast his/her votes at his/her discretion.
- This form of proxy must be signed by you or your attorney duly authorised in writing, or in the case of a corporation, must be either under its seal or under the hand of an officer or attorney duly authorised.
- To be valid, this form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, must be deposited with office of the Company's H Share registrar in Hong Kong, Tricor Investor Services Limited on the 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong (for holders of H Shares) or to the registered office of the Company at No. 99 Beihai Road, Shouguang City, Shandong Province, the People's Republic of China (for holders of Domestic Shares) not less than 24 hours before the time appointed for the Meeting or the adjourned meeting (as the case may be).
- Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of the joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of the relevant share will alone be entitled to vote in respect thereof.
- The proxy need not be a member of the Company but must attend the meeting in person to represent you.
- Completion and return of this form of proxy will not preclude you from attending and voting at the meeting or the adjourned meeting (as the case may be) should you so wish.

* For identification purpose only