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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 on Main Board: 568

Stock code on GEM: 8261

LISTING BY WAY OF INTRODUCTION OF THE ENTIRE ISSUED H SHARE CAPITAL OF THE COMPANY ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Sponsor



Guotai Junan Capital Limited

Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as defined in the introduction document of the Company dated 19 October 2006 (the "Introduction Document").

An application has been made by the Company to the Stock Exchange for the listing of, and permission to deal in, on the Main Board in respect of the 246,276,000 H Shares in issue. Immediately prior to the listing of the H Shares on the Main Board, the listing of the existing H Shares on GEM will be withdrawn. The last day for dealings of the H Shares on GEM is expected to be on the day immediately prior to the Listing Date.

The H Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from 15 April 2004, the date on which the H Shares were first listed on GEM. Subject to the Listing Committee granting approval of the listing of, and permission to deal in, on the Main Board the H Shares mentioned in the immediately preceding paragraph and the continual compliance with the stock admission requirements of HKSCC, the H Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS once dealings in the H Shares on the Main Board commence. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Dealings in the H Shares on the Main Board are expected to commence at 9:30 a.m. on 10 January 2007.

The listing of the H Shares on the Main Board is by way of introduction and there are no H Shares being issued or sold for such listing.

Copies of the Introduction Document issued in accordance with the Main Board Listing Rules will be available for inspection at the office of Coudert Brothers in association with Orrick, Herrington & Sutcliffe LLP on the 39th Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong during normal business hours for a period of 14 days from 19 October 2006, for information purposes only, and at the EGM.

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

Shandong, the PRC, 19 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 Xue Chang, Yan Yi Zhuang and Loke Yu alias Loke Hoi Lam.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) 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.

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least seven days from the day of its posting.

Please also refer to the published version of this announcement in Hong Kong Economic Times and The Standard.