UNIVERSAL RESOURCE AND SERVICES LIMITED
(the "Company")
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200312303R)

UPDATE ON THE LEGAL ACTION AGAINST CUSTOMERS –

CIVIL MEDIATION AGREEMENT ISSUED BY THE PEOPLE'S COURT OF BINHAI DISTRICT OF TIANJIN MUNICIPALITY

Unless otherwise defined, all capitalised terms used in this Announcement shall have the same meanings ascribed to them in the Previous Announcements (as defined below).

1. INTRODUCTION

The Board of Directors (the "**Board**") of Universal Resource and Services Limited (the "**Company**", together with its subsidiaries, collectively referred to as the "**Group**") refers to the announcements dated 6 November 2015, 13 November 2015, 26 February 2016, 11 April 2016, 26 April 2016 and 6 May 2016 (the "**Previous Announcements**") in respect of the letters of demand issued by SKY Petroleum Technology Development (Tianjin) Co., Ltd ("**SKY Tianjin**") to the Customers and the actions taken against the Customers.

2. UPDATE ON THE TIANJIN CMA BETWEEN SKY TIANJIN AND TIANJIN BPE

2.1 The Tianjin CMA provides that, *inter alia*, within 60 days of the date of the Tianjin CMA, Tianjin BPE shall pay SKY Tianjin the Tianjin BPE Compensation (comprising the outstanding rental payments under the Tianjin BPE Leases up to the date of termination (in the amount of approximately RMB14.9 million) and additional compensation of RMB0.2 million). In this regard, the Board would like to update Shareholders that, as at close of business today, Tianjin BPE has not paid the Tianjin BPE Compensation to SKY Tianjin.

2.2 As at the date of this announcement, Tianjin BPE has failed to perform the Tianjin BPE Undertakings (i.e. return all Tianjin BPE Equipment to SKY Tianjin within 15 days of the date of the Tianjin CMA and pay the Tianjin BPE Compensation to SKY Tianjin within 60 days of the date of the Tianjin CMA). SKY Tianjin, having consulted with its legal advisers, will proceed with the recovery of the Tianjin BPE Compensation, together with the enforcement of the return of all Tianjin BPE Equipment under the Tianjin CMA (i.e. enforcement of the Tianjin CMA against Tianjin BPE). SKY Tianjin is also consulting with its legal advisers to explore other options in addition to the enforcement of the Tianjin CMA and the Group will make further announcements when there are any significant developments.

3. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers. The Company will make further announcements as appropriate with regard to this matter.

BY ORDER OF THE BOARD

Wu Chunlan
Chairperson and Chief Executive Officer
20 June 2016