



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

PURCHASE OF NEW DRILLING EQUIPMENT AND NEW LEASES CONCLUDED FOR RENTAL BUSINESS

The Board of Directors (“**Board**”) of Universal Resource and Services Limited (the “**Company**” and together with its subsidiaries the “**Group**”) wishes to announce that SKY Petroleum Technology Development (Tianjin) Co., Ltd (“**SKY (Tianjin)**”), a wholly-owned subsidiary of the Company, has entered into a sale and purchase contract with a Chinese supplier (the “**Contract**”) for the purchase of Measuring While Drilling Equipment (“**MWDs**”) with a view to upgrading the Group’s operations.

The MWDs are drilling equipment using advanced technologies that allow the operators to take surveys in the midst of drilling for faster results and safer, more efficient and cost-effective operations. Pursuant to the Contract, the aggregate purchase price amounts to RMB232.5 million and shall be entirely satisfied by the Group’s internal resources.

In conjunction with the entry into the Contract, SKY (Tianjin) has also entered into two new equipment leases (“**New Leases**”) with a new customer Hebei Daofu Petroleum Exploration Technology Development Co., Ltd. and an existing customer to lease out all new MWDs purchased under the Contract. (the purchase of MWDs and the New Leases collectively referred to as the “**Proposed Transactions**”).

Barring any unforeseen circumstances, the New Leases will have accretive and positive financial effects to the Group’s performance for the financial year ending 31 December 2014.

While the Company has been evaluating other opportunities in the natural resources sector, pending the finalisation of any concrete project, the Group would like to optimise the utilisation of its existing cash resources by further strengthening its position in the drilling equipment rental business, so as to better position the Group to take advantage of the new opportunities ahead.

As disclosed in the Company’s First Quarter 2014 Financial Statement Announcement, the Group was evaluating the options of purchasing new drilling equipment and sourcing new customers. The Proposed Transactions are in line with the Group’s efforts to enhance the Group’s earnings base and to eliminate the concentration risk of solely relying on one customer.

The Proposed Transactions are the Company’s routine business that are carried out in the ordinary course of the Company’s business of renting drilling equipment and will result in an expansion of the Group existing core business. In view of the foregoing, the Proposed Transactions would not constitute a “transaction” for the purposes of Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

There are no options to acquire or dispose of any assets which have been granted by the Group in connection with the Proposed Transactions.

None of the directors and controlling shareholders of the Company (other than in his capacity as a director or controlling shareholder of the Company) has any interest, direct or indirect, in the Proposed Transactions.

The Company will make further announcements in due course to inform its shareholders as and when there are any major updates in respect of the Proposed Transactions.

BY ORDER OF THE BOARD

Liu Qingzeng
Chief Executive Officer and Executive Director
20 June 2014