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

UPDATE ON THE ACQUISITION OF SECOND-HAND DRILLING EQUIPMENT AND ENTRY INTO NEW LEASE IN RESPECT OF OIL DRILLING EQUIPMENT BUSINESS

- FURTHER NEGOTIATION WITH LESSEE ON EXTENSION OF TIME FOR THE TAKEOVER OF THE DRILLING MACHINE

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).

The Board of Directors (the "**Board**" or the "**Directors**") of Universal Resource and Services Limited (the "**Company**", and together with its subsidiaries, collectively referred to as the "**Group**") refers to the announcements dated 31 August 2015 and 27 January 2016 (the "**Previous Announcements**") in respect of (i) the acquisition of the Drilling Machine by SKY Tianjin, a wholly-owned subsidiary of the Company; and (ii) the entry into the New Lease between SKY Tianjin and the Lessee.

The Company had, amongst others, announced in the Previous Announcements that, SKY Tianjin had on 29 August 2015 entered into the New Lease with the Lessee to lease out the Drilling Machine. Subsequently, on 27 January 2016, both parties had mutually agreed on the revision of two existing principal terms of, and the addition of a new principal term to, the New Lease. It was agreed by both parties that, amongst others, the Lessee had to complete its preparation of the installation site and the takeover of the Drilling Machine by today.

The Lessee did not take over the Drilling Machine today as contracted and is in negotiations with Management on inter alia a further extension of time for the takeover of the Drilling Machine. The Company will make further announcements when there is significant development.

As at the date of this announcement, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the New Lease.

BY ORDER OF THE BOARD

Wu Chunlan
Chairperson and Chief Executive Officer
28 April 2016