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 NO. 2 INTERMEDIATE PEOPLE'S COURT 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 and 18 April 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 CMA BETWEEN SKY TIANJIN AND HEBEI DPETD

2.1 The CMA provides that, *inter alia*, within 50 days of the date of the CMA, Hebei DPETD shall pay SKY Tianjin the Compensation under the CMA (approximately RMB42.3 million, being the outstanding rental payments under the Hebei DPETD Lease up to the date of its termination and additional compensation of RMB0.5 million). In this regard, the Board would like to update Shareholders that, as at close of business today, Hebei DPETD has not paid the Compensation to SKY Tianjin.

2.3 As at the date of this announcement, Hebei DPETD has failed to perform the Undertakings (i.e. return the 51 sets of MWD equipment to SKY Tianjin within 10 days of the date of the CMA and pay the Compensation to SKY Tianjin within 50 days of the date of the CMA). SKY Tianjin, having consulted with its legal advisers, will proceed with the recovery of the Compensation, together with the enforcement of the return of the 51 sets of MWD (as set out in the announcement released by the Company dated 18 April 2016) under the CMA (i.e. enforcement of the CMA against Hebei DPETD). SKY Tianjin is also consulting with its legal advisers to explore other options in addition to the enforcement of the 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
30 May 2016