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

- TERMINATION OF THE NEW LEASE

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, 27 January 2016, 28 April 2016 and 4 May 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 would like to update our shareholders that, after considering inter alia the two extensions granted in the taking over of the Drilling Machine and other commercial factors, the management has today decided to terminate the New Lease with the Lessee in accordance with the relevant terms of the New Lease.

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
4 August 2016