INTERIM REPORT

Q2 2018

Second Quarter 2018

Operations

Haven commenced operation at the Johan Sverdrup field at 7th June 2018, approximately one month ahead of original schedule. The installation of Haven adjacent to the Drilling Platform was successfully executed according to plan. The start-up has been uneventful with 100% uptime for the client and no serious incidents.

The utilization of the vessel has been high since the commencement of the operation, with close to full utilization of available beds.

Daily operating cost is around USD 50,000 during normal operations.

The rig was accepted by Equinor late May 2018. As a result, Haven has generated an income of 4.8 MUSD for the period prior to actual commencement of the contract. Overall, the project cost is expected to be well below budget.

Financial

The Interim Financial Statements are prepared in accordance with IAS 34

Quarterly figures, Q2 2018
(Figures in brackets refer to the corresponding period of 2017)

The operating income for Q2 amounts to 14.3 MUSD (0.0 MUSD). The majority of the income relates to charter hire for the period 7th to 30th June and compensation from Equinor for the period up to 7th June.

Operating expenses equaled 3.0 MUSD (2.0 MUSD), of which 1.8 MUSD relates to vessel OPEX and 0.6 MUSD relates to costs to be reimbursed by Equinor. A corresponding income is included in operating income for 2Q. The remaining part consists of various engineering services and management fee to Jacktel's parent company, Master Marine AS. This resulted in an EBITDA of 11.3 MUSD (-2.0 MUSD) and an operating profit of 3.5 MUSD (loss of 5.9 MUSD). Upgrade and modification costs have been depreciated from the date Haven commenced the operation.

Interest expense for the second quarter equaled 11.5 MUSD (6.8 MUSD), of which 3.0 MUSD relate to interest payable on the bond loan and 8.5 MUSD relate to interest accrued on the shareholder loan. Unrealized foreign exchange gain on debt denominated in Euros amounts to 19.5 MUSD while amortized costs related to the bond loan amounts to 0.6 MUSD.

Net profit for the second quarter amounts to 10.9 MUSD (loss of 27.0 MUSD).

YTD Figures 2018
(Figures in brackets refer to the corresponding period of 2017)

The operating income year to date is equal to the operating income for the second quarter, 14.3 MUSD (0.0 MUSD). Operating expenses were 3.8 MUSD (4.0 MUSD), of which 1.8 MUSD relate to vessel OPEX and 0.6 MUSD relate to cost reimbursable by Equinor. The remaining part consists of various engineering services and management fee to Jacktel's parent company, Master Marine AS. This resulted in an EBITDA of 10.6 MUSD (-4.0 MUSD) and an operating loss of 1.1 MUSD (loss of 11.7 MUSD).

Interest expense for the first half year equaled 23.0 MUSD (12.9 MUSD), of which 6.2 MUSD relate to interest payable on the bond loan and 16.8 MUSD relate to interest accrued on shareholder loans. Unrealized foreign exchange gain on debt denominated in Euros amounts to 8.5 MUSD while amortized cost related to the bond loan amounts to 1.3 MUSD.

Net loss for the first half of 2018 equaled 16.7 MUSD (loss of 44.5 MUSD).

Finance
The bond loan of 146 MEUR carries a coupon of 7% and is secured by a 1st lien mortgage on Haven. The bond loan expires on 8 July 2019. The shareholder loan from the parent company Master Marine expires in September 2019. As a result of the successful commencement of the Johan Sverdrup contract, the operational risk in Jacktel / Master Marine has been substantially reduced. Based on this Master Marine and Jacktel will evaluate to refinance the company towards the end of 2018.

Cash flow and liquidity Q2 2018
As a result of the commencement of the Johan Sverdrup contract, Jacktel has a positive cash flow from operating activities both for the second quarter and for the first six months of 2018.

The majority of the cash flow from investing activities relates to the Johan Sverdrup project.

Cash flow from financing activities is the net of interest paid and proceeds from borrowings.

Risk
The company is exposed to general business market risk, credit risk, currency risk and revenue risk. Credit risk related to the Equinor contract is considered low. The currency risk exposure is mainly due to the fact that the charter income is denominated in USD, the operating costs mainly in NOK and part of the long-term debt in EUR. The currency risk is monitored on a continuous basis and use of derivates to reduce the risk is considered regularly. Long term commitment for Haven is secured for 18 months from June 2018 through the contract with Equinor for the Johan Sverdrup project. Operational issues, as well as future changes in day rates and utilization of the unit may impact the valuation of the asset.

Future Prospects

The market continues to remain soft. There are however some early signs of recovery and the Board of Directors is therefore positive in respect of the demand for Jacktel's services in the longer term.

Haven has secured utilization until the end of 2019 and Equinor has options for continued use of the rig for another 30 months after the firm 18 months period. The rig will therefore not be available for other opportunities until 2020 at the earliest.

Responsibility statement

We confirm to the best of our knowledge that the consolidated financial statements for the period 1 January to 30 June 2018 have been prepared in accordance with IFRS as approved by the European Union ("EU") and give a fair view of Jacktel's assets, liabilities, financial position and results for the period viewed in their entirety, and that the Board of Directors' report includes a fair review of any significant events that arose during the period and their effect on the financial report, any significant related parties' transactions and a description of the significant risks and uncertainties for the group.

Oslo, 28th August 2018

Bjørn Henriksen	**Helge Ystheim**
Chairman of the Board	**CEO**
sign	**sign**

Condensed Income Statement

In USD 1,000'	Note	Un-audited Q2-2018	Un-audited Q2-2017	Audited 2017	Un-audited 6M- 2018	Un-audited 6M- 2017
Operating income		14,272	-	-	14,272	-
Operating expenses		-2,988	-2,040	-8,539	-3,724	-4,045
EBITDA		**11,283**	**-2,040**	**-8,539**	10,548	**-4,045**
Depreciation	6	-7,817	-3,828	-15,225	-11,624	-7,612
OPERATING LOSS - EBIT		**3,466**	**-5,869**	**-23,764**	**-1,076**	**-11,658**
Interest income		3	6	166	89	7
Interest expenses		-11,461	-6,798	-30,784	-22,949	-12,870
Other financial itmes		18,848	-14,306	-37,523	7,195	-20,006
NET FINANCIAL ITEMS		**7,390**	**-21,098**	**-68,141**	**-15,665**	**-32,870**
PROFIT/(LOSS) BEFORE TAX		**10,856**	**-26,967**	**-91,905**	**-16,741**	**-44,528**
NET PROFIT (LOSS)		**10,856**	**-26,967**	**-91,905**	**-16,741**	**-44,528**

Statement of Comprehensive Income

In USD 000'	Un-audited Q2-2018	Un-audited Q2-2017	Audited 2017	Un-audited 6M- 2018	Un-audited 6M- 2017
Net profit this period	10,856	-26,967	-91,905	-16,741	-44,528
Other comprehensive income	-	-	-	-	-
COMPREHENSIVE INCOME	**10,856**	**-26,967**	**-91,905**	**-16,741**	**-44,528**

Condensed Statement of Financial Position

In USD 1,000'	Note	Un-audited 30.06.2018	Un-audited 30.06.2017	Audited 31.12.2017
ASSETS				
Non-current assets:				
Property, plant and equipment	6	310,108	285,512	297,988
Prepaid construction cost		83,863	17,134	52,731
Total non-current assets		**393,971**	**302,646**	**350,719**
Current assets:				
Accounts receivable		14,307	1,187	1,656
Other current assets		2,366	2,175	433
Cash and cash equivalents		26,248	75,616	79,416
Total current assets		**42,922**	**78,978**	**81,505**
TOTAL ASSETS		**436,893**	**381,624**	**432,224**
EQUITY AND LIABILITIES				
Equity:				
Issued capital		19,630	19,630	19,630
Share premium			72,350	-
Retained losses		-36,296	-44,528	-19,556
Total equity		**-16,666**	**47,453**	**75**
Non-current liabilities:				
Shareholder loans	5	263,888	162,445	248,240
Other interest-bearing debt	5	168,131	162,644	171,948
Prepayments customers		5,922	1,230	3,594
Total long-term liabilities		**437,942**	**326,319**	**423,782**
Current liabilities:				
Accounts payable		10,671	3,258	2,606
Prepayments customers		1,302	843	1,702
Other current liabilities		3,643	3,751	4,059
Total current liabilities		**15,616**	**7,852**	**8,367**
Total liabilities		**453,558**	**334,171**	**432,149**
TOTAL EQUITY AND LIABILITIES		**436,893**	**381,624**	**432,224**

Condensed Statement of Changes in Equity

(In USD 1.000)	Share Capital	Share premium	Uncovered loss	Total equity
Equity as at January 1, 2017	**19,630**	**72,350**		**91,980**
Other comprehensive income	-	-	-	-
Net income (loss)	-	-44,528	-	-44,528
Equity as at June 2017	**19,630**	**27,822**	**-**	**47,453**
Other comprehensive income	-	-	-	-
Net income (loss)	-	-27,822	-19,554	-47,376
Equity as at December 2017 (Audited)	**19,630**	**-**	**-19,554**	**75**
Other comprehensive income	-	-	-	-
Net income (loss)	-	-	-16,741	-16,741
Equity as at June 2018 (Un-audited)	**19,630**		**-36,295**	**-16,666**

Cash Flow Statement

In USD 1,000'	**Un-audited Q2-2018**	**Un-audited Q2-2017**	**Audited 2017**	**6M-2018**	**6M-2017**
Net profit(loss) before tax	10,856	-26,967	-91,905	-16,741	-44,528
Depreciation	7,817	3,828	15,225	11,624	7,612
Financial income	-18,851	-	-166	-7,284	-
Financial expenses	11,461	17,897	72,478	22,949	31,737
Changes in working capital	-8,874	3,599	3,828	-6,936	4,034
Net cash from operating activities	**2,409**	**-1,643**	**-540**	**3,612**	**-1,145**
Prepayment from customer			-		-
Interest received	3	6	166	89	7
Prepaid constructions costs	-31,132	-	-35,597	-31,132	0
Aquisition of fixed assets	-15,851	-6,248	-28,937	-23,742	-8,847
Net cash from investing activities	**-46,980**	**-6,242**	**-64,368**	**-54,785**	**-8,841**
Cash flow from financing activities					
Interest paid	-11,461	-1,767	-30,784	-22,949	-3,528
Prepayment from customer	924	960	2,962	1,928	0
Proceeds from borrowings	9,051	56,982	139,998	19,026	56,982
Net cash from financing activities	**-1,486**	**56,175**	**112,176**	**-1,995**	**53,454**
Net change in cash and cash equivalents	-46,057	48,290	47,268	-53,168	43,468
Cash and cash equivalents, opening balance	72,305	27,326	32,148	79,416	32,148
Cash and cash equivalents, closing balance	**26,248**	**75,616**	**79,416**	**26,248**	**75,616**

Notes to the interim report

1. General information

Jacktel AS is a 100% subsidiary of Master Marine AS, parent company in the Master Marine Group, located at Rosenkrantzgate 18 in Oslo, Norway. The company, which was established in 2009, specializes in offshore accommodation and is the owner of the Haven jack up accommodation unit.

2. Basis of presentation

The financial statements for Q2 2018 have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union ("EU"), including IAS 34 Interim Financial Reporting. The financial statements are prepared on a going concern basis and should be read in conjunction with the Company's financial statements as at 31 December 2017. Reference is also made to section "Going Concern" in the Board of Directors Report.

The European Securities and Markets Authority (ESMA) issued guidelines on Alternative Performance measures (APM's) that came into force 3 July 2016. Jacktel has defined and explained the purpose of the following APM's:

- *EBITDA* means earnings before financial items and tax, excluding impairment losses, depreciation and amortization
- *EBIT* means earnings before financial items and tax
- *CASH OR LIQUIDITY RESERVE.* When used means cash and bank deposits and provide information about the cash balance at the balance sheet date and the Company's ability to meet it current liabilities.

3. Significant accounting policies

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the company's annual financial statements and accompanying notes for the financial year ended 31st December 2017. No new standards with impact on the financial statement have been implemented with effect for first half of 2018. IFRS 15 was implemented from January 1, 2018 without any significant impact.

4. Related party transactions

Jacktel AS has a management agreement with its parent company, Master Marine AS, for which 1.1 MUSD (1.2 MUSD) has been paid per first half 2018.

5. Debt overview

30.06.2018

(1.000 USD) **Description**	**Lender/Trustee**	**Nominal amount EURO**	**Nominal amount USD**	**Interest rate**	**Book value (incl accrued interests) USD**
99,8 MEUR Term loan facility	Master Marine AS	99,830	116,381	12%	188,296
146 MEUR Bond loan	Nordic Trustee AS.	146,000	170,206	7%	168,131
65,6 MUSD Term loan facility	Master Marine AS		65,600	16%	75,592
Total interest bearing debt - USD					**432,019**

*) Book value of the Bond loan is netted with costs to be accrued over the loan's lifetime.

For further information regarding financing, see Financial, under section Finance.

6. Non-current assets

	Un-audited	Un-audited	Audited
(1.000 USD)	**30.06.18**	**31.03.18**	**31.12.17**
Opening balance	302,074	297,989	284,277
Additions	15,851	7,891	28,937
Disposals	0	0	0
Depreciation	-7,817	-3,806	-15,225
Closing balance	**310,108**	**302,074**	**297,989**

The Company's only non-current asset is the accommodation rig Haven.

In addition Jacktel has pre-paid 83.9 MUSD as construction cost.

7. Cash flow statement

Interest expenses on the shareholder loans are added to the principal loan amount and considered as paid by increased borrowings.