INTERIM REPORT

Q3 2017

Third Quarter 2017

Operations

The project related to the preparation of Haven for operation at Johan Sverdrup is progressing according to plan and budget. The work is planned to be completed spring 2018, well ahead of the mobilization to the field in June 2018. As a part of the project, Haven was relocated from Nymo yard in Eydehavn to CCB outside Bergen at the end of September. The remaining scope of work in relation to the upgrade will be executed at or in close proximity to this yard.

The company continues the operational and compliance related repairs and maintenance. Expected expenditures are in line with previous guiding. The work is related to the following:

- Rig system modification for Statoil
- Internal rig system modifications
- Painting and steel reinforcement
- Change out of Lifeboats & Davits

Due to high activity at CCB, the manning has increased to 14 persons on-board the vessel. The size of the marine crew will gradually increase to 22 in 2Q-2018, which is according to contractual requirements.

Net of project related cost, which have been expensed rather than capitalized, OPEX during Q3 was around USD 15.000 per day.

Financial

The Interim Financial Statements are prepared in accordance with IAS 34

Quarterly figures, Q3 2017
(Figures in brackets refer to the corresponding period of 2016)

As Haven still is in layup, the company did not generate any operating income in Q3, 2017 (2.1 MUSD). Operating expenses equaled 2.6 MUSD (4.0 MUSD), of which 1.8 MUSD relates to vessel OPEX and various engineering services and 0.8 MUSD relates to management fee to Jacktel's parent company, Master Marine AS. This resulted in an EBITDA of -2.6 MUSD (-2.1 MUSD) and an operating loss of 6.4 MUSD (loss of 5.8 MUSD).

Interest expenses for the third quarter equaled 8.1 MUSD (6.1 MUSD), of which 3.0 MUSD relate to interest payable on the bond loan and 5.1 MUSD relate to interest accrued on shareholder loans. Unrealized foreign exchange loss on debt denominated in Euros totaled 8.6 MUSD.

Net loss for the third quarter equaled 23.0 MUSD (loss of 14.7 MUSD).

YTD Figures 2017
(Figures in brackets refer to the corresponding period of 2016)

Haven has been laid up for the entire period. As a result, no operating income has been earned during 2017 (15.6 MUSD). Operating expenses inclusive various engineering services totaled 6.6 MUSD (12.2 MUSD), of which 4.5 MUSD relates to vessel OPEX and 2.1MUSD relates to management fee to Jacktel's parent company, Master Marine AS. This resulted in an EBITDA of -6.6 MUSD (-3.4 MUSD) and an operating loss of 18.0 MUSD (loss of 7.7 MUSD).

Total interest expenses for the year equaled 21.0 MUSD (17.9 MUSD), of which 7.0 MUSD relate to interest payable on the bond loan and 14.0 MUSD relate to interest accrued on shareholder loans. Unrealized foreign exchange loss on debt denominated in Euros of 28.6 MUSD.

Net loss as of 30.09.2017, totaled67.6 MUSD (loss of 32.0 MUSD).

Finance

Jacktel has, during Q3, drawn 35.0 MUSD on the 81 MUSD credit facility issued by its parent, Master Marine. The interest rate is 16% and the expiry date is 30th of September 2019.

See note 5, for further information.

Cash flow and liquidity Q3 2017

As a result of the above described funding activities, net Cash flow is positive this quarter.

Risk

The company is exposed to general market risk, credit risk, currency risk and revenue risk. Credit risk related to the Statoil contract is considered low. Currency risk is considered acceptable as the cost of the main upgrade project is in the same currency as the charter rate, USD. The main currency risk is related to the current bond loan which is denominated in EUR.

Long term commitment, for Haven, is secured from June 2018 for 18 months through the charter contract with Statoil for the Johan Sverdrup project. 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, with few substantial demands for additional bed capacity identified in the short to medium term.

We have however, over the past few months, seen increased tendering activity within the drilling market, especially in the North Sea. This is seen as an early sign of a general recovery of the activity level within the oil & gas industry. Furthermore, it is expected that the long lasting reduction in maintenance of existing oil & gas structures, will result in a significant backlog of maintenance activities offshore. In the longer term, this is expected to have a positive impact on the maintenance and modification market as well as the need for additional bed capacity offshore.

Responsibility statement

We confirm to the best of our knowledge that the consolidated financial statements for the period 1 January to 30 September 2017 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, 25 October 2017

Bjørn Henriksen	**Helge Ystheim**
(Chairman)	**CEO**
	Jacktel AS

Condensed Income Statement

In USD 1,000'	Note	Un-audited Q3-2017	Un-audited Q3-2016	Audited 2016	Un-audited 9M- 2017	Un-audited 9M- 2016
Operating income		-	2 043	15 640	-	15 640
Operating expenses		-2 573	-4 093	-14 654	-6 618	-12 228
EBITDA		**-2 573**	**-2 050**	**986**	-6 618	**3 412**
Depreciation	6	-3 806	-3 721	-15 096	-11 419	-11 124
OPERATING PROFIT- EBIT		**-6 379**	**-5 772**	**-14 110**	**-18 037**	**-7 712**
Interest income		14	10	27	21	20
Interest expenses		-8 117	-6 109	-23 861	-20 988	-17 899
Other financial income						
Other financial expenses		-8 552	-2 794	8 507	-28 558	-6 370
NET FINANCIAL ITEMS		**-16 654**	**-8 893**	**-15 327**	**-49 525**	**-24 249**
PROFIT/(LOSS) BEFORE TAX		**-23 033**	**-14 664**	**-29 437**	**-67 561**	**-31 961**
NET PROFIT (LOSS)		**-23 033**	**-14 664**	**-29 437**	**-67 561**	**-31 961**

Statement of Comprehensive Income

In USD 1000'	Un-audited Q3-2017	Un-audited Q3-2016	Audited 2016	Un-audited 9M- 2017	Un-audited 9M- 2016
Net profit this period	-23 033	-14 664	-29 437	-67 561	-31 961

Condensed Statement of Financial Position

In USD 1,000'	Note	Un-audited 30.09.2017	Un-audited 30.09.2016	Audited 31.12.2016	Audited 31.12.2015
ASSETS					
Non-current assets:					
Property, plant and equipment	6	294 059	286 560	284 276	293 235
Prepaid construction cost		17 134	-	17 134	
Total non-current assets		**311 194**	**286 560**	**301 411**	**293 235**
Current assets:					
Accounts receivable		313	140	30	4 833
Other current assets		936	930	1 229	5 835
Cash and cash equivalents		101 186	57 465	32 148	53 841
Total current assets		**102 434**	**58 535**	**33 407**	**64 509**
TOTAL ASSETS		**413 628**	**345 095**	**334 817**	**357 744**
EQUITY AND LIABILITIES					
Equity:					
Issued capital		19 630	19 630	19 630	23 018
Share premium		72 350	101 787	72 350	115 108
Uncovered loss		-67 561	-31 961		0
Currency translation reserve					-16 709
Total equity		**24 419**	**89 457**	**91 981**	**121 417**
Non-current liabilities:					
Shareholder loans	5	207 669	146 159	140 240	130 163
Other interest-bearing debt	5	168 354	105 364	98 257	102 212
Prepayments customers		2 831	-	632	
Total long-term liabilities		**378 854**	**251 523**	**239 129**	**232 374**
Current liabilities:					
Accounts payable		5 367	1 036	1 134	1 036
Prepayments customers		1 089	143		0
Other current liabilities		3 898	2 936	2 573	2 917
Total current liabilities		**10 355**	**4 115**	**3 708**	**3 953**
Total liabilities		**389 209**	**255 638**	**242 837**	**236 327**
TOTAL EQUITY AND LIABILITIES		**413 628**	**345 095**	**334 817**	**357 744**

Condensed Statement of Changes in Equity

(In USD 1.000)	Share Capital	Share premium	Uncovered loss	Total equity
Equity as at January 1, 2016	**19 630**	**101 787**	-	**121 417**
Net income (loss)			-31 961	-31 961
Equity as at September 2016 (Un-audited)	**19 630**	**101 787**	**-31 961**	**89 457**
Net income (loss)		-29 437	31 961	2 524
Equity as at December 2016 (Audited)	**19 630**	**72 351**	-	**91 981**
Net income (loss)			-67 561	-67 561
Equity as at September 2017 (Un-audited)	**19 630**	**72 351**	**-67 561**	**24 419**

Cash Flow Statement

In USD 1,000'	Q3-2017	Q3-2016	2016	9M-2017	9M-2016
Net profit/(loss)	-23 033	-14 664	-29 437	-67 561	-31 961
Depreciation	3 806	3 721	15 096	11 419	11 124
Unrealized foreign exchange differences related to cash and financi	8 374	2 620	-9 358	27 976	5 398
Net interest	8 103	6 098	24 110	15 941	18 153
Changes in working capital	3 776	4 479	9 853	7 810	9 618
Net cash from operating activities	**1 026**	**2 255**	**10 264**	**-4 417**	**12 331**
Cash flow from investing activities					
Prepayment Upgrade of Haven- Lamprell	-		-17 134		-
Prepayment from customer	1 847	143	632	1 847	143
Aquisition of fixed assets	-12 354	-2 148	-6 825	-21 201	-4 448
Interest received	14	10	27	21	20
Net cash from investing activities	**-10 493**	**-1 996**	**-23 301**	**-19 333**	**-4 285**
Cash flow from financing activities					
Proceeds from debt	35 000		-	35 000	-
Interest paid	-3 000	-1 740	-7 218	-6 528	-5 432
Net realized agio	-	-	-	-	
Net cash from financing activities	**32 000**	**-1 740**	**-7 218**	**28 472**	**-5 432**
Net change in cash and cash equivalents	22 533	-2 048	-20 821	63 104	2 048
Net foreign exchange differences	3 038	566	-871	5 934	1 577
Cash and cash equivalents, opening balance	75 616	58 947	53 841	32 148	53 841
Cash and cash equivalents, closing balance	**101 186**	**57 465**	**32 148**	**101 186**	**57 465**

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 of Jacktel have been prepared in accordance with International Financial Reporting Standards (IFRS), including IAS 34 Interim Financial Reporting, and interpretations adopted by the International Accounting Standards Board (IASB) and IFRIC as approved by the European Union ("EU"), as well as the additional relevant requirements under the Norwegian Accounting Act. 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 2016.

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 2016. No new standards with impact on the financial statement have been implemented with effect for 2017.

4. Related party transactions

Jacktel AS has a management agreement with its parent company, Master Marine AS, of which 1.9 MUSD (2.1 MUSD) has been accrued per Q3 2017.

5. Debt overview

30.09.2017

(1.000 USD) **Description**	**Lender**	**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	117 585	12 %	172 669
146 MEUR Bond loan	Nordic Trustee ASA	146 000	171 967	7 %	168 354
35 MUSD Bond Loan	Master Marine AS		35 000	16 %	35 000
Total interest bearing debt - USD					**376 023**

*) 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

(1.000 USD)	**Un-audited Q1 2017**	**Un-audited Q2 2017**	**Un-audited Q3 2017**	**Un-audited YTD 2017**	**Audited 2016**
IB	284 276	283 091	285 511	284 276	293 235
Additions	2 599	6 248	12 354	21 202	6 136
Disposals	0	0	0	0	0
Depreciation	-3 784	-3 828	-3 806	-11 419	-15 096
Impairment	0	0	0	0	0
UB	**283 091**	**285 511**	**294 059**	**294 059**	**284 276**

The Company's only non-current asset is the accommodation rig Haven.
Haven is currently in lay-up for modifications and upgrading related to future charter contract with Statoil.