INTERIM REPORT

Q3 2018

Third 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. After installation Haven has delivered 100% gangway connection.

The rig was accepted by Equinor late May 2018. Overall, the project cost related to the upgrade of Haven was below budget.

The utilization of the vessel has been high throughout the quarter, with close to full utilization of available beds.

Daily operating cost equaled 45 KUSD during 3Q, the cost level is expected to increase to around 50 KUSD going forward.

Financial

The Interim Financial Statements are prepared in accordance with IAS 34

Quarterly figures, Q3 2018
(Figures in brackets refer to the corresponding period of 2017)

The operating income for Q3 amounts to 38.0 MUSD (0.0 MUSD). Charter hire of Haven amounts to 32.8 MUSD in 3Q. Other income of 5.3 MUSD relates to catering services, as well as other additional services.

Operating expenses equaled 8.8 MUSD (2.6 MUSD), of which 4.15 MUSD relates to vessel OPEX and 3.5 MUSD relates to costs to be reimbursed by Equinor. A corresponding income is included in operating income for 3Q. Additional 1.15 MUSD relates to technical management fee and SG&A costs. This resulted in an EBITDA of 29.2 MUSD (-2.6 MUSD) and an operating profit of 13.4 MUSD (loss of 6.4 MUSD). Upgrade and modification costs have been depreciated from the date Haven commenced the operation.

Interest expense for the third quarter equaled 11.8 MUSD (8.1 MUSD), of which 3.0 MUSD relate to interest payable on the bond loan and 8.8 MUSD relate to interest accrued on the shareholder loan. Unrealized foreign exchange gain on debt denominated in Euros amounts to 2.4 MUSD. Unrealized loss on a forward contract entered into to hedge currency fluctuations (EUR/USD) in relation to the 146 MEUR bond loan equals 2.4 MUSD in the quarter. Amortized costs related to the bond loan amounts to 0.5 MUSD.

Net profit for the third quarter amounts to 1.1 MUSD (loss of 23.0 MUSD).

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

The operating income year to date amounts to 52.3 MUSD (0.0 MUSD). Operating expenses were 12.5 MUSD (6.6 MUSD), of which 5.9 MUSD relate to vessel OPEX and 4.1 MUSD relate to cost reimbursable by Equinor. Additional 2.4 MUSD relates to technical management fee and SG&A costs. This resulted in an EBITDA of 39.8 MUSD (-6.6 MUSD) and an operating profit of 12.3 MUSD (loss of 18.0 MUSD).

Interest expense accumulated per September equaled 34.8 MUSD (21.0 MUSD), of which 9.2 MUSD relate to interest payable on the bond loan and 25.6 MUSD relate to interest accrued on shareholder loans. Unrealized foreign exchange gain on debt denominated in Euros amounts to 10.9 MUSD. Unrealized loss on a forward contract equals 2.4 MUSD per 3Q. The forward contract was established late August to hedge EUR/USD currency fluctuations in respect of the 146 MEUR loan. Amortized cost related to the bond loan amounts to 1.8 MUSD.

Net loss for the first nine months of 2018 equaled 15.6 MUSD (loss of 67.6 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. In order to reduce the currency risk, the company has, late August, entered into a forward contract to hedge EUR/USD currency fluctuations in relation to the 146 MEUR bond loan.

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 have commenced a refinancing of the 3rd party bond loans. The refinancing is expected to be concluded by December 2018.

As of 30 September 2018, shareholders equity is negative by 15.5 MUSD. The cash flow from the Johan Sverdrup contract makes however Jacktel able to meet its obligations including paying interest on the long-term debt.

Cash flow and liquidity Q3 2018
As a result of the commencement of the Johan Sverdrup contract, Jacktel has a positive cash flow from operating activities both for the third quarter and for the first nine 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 demand for accommodation services has improved over the last few months. All modern North Sea assets, which are not cold stacked, have secured work for the first 6 months of 2019. Day rates have increased reflecting a tighter supply demand balance. Further, it is also evident that assets which provide reliable gangway connection are favored and we have seen day rates for Jack Ups in accommodation mode in the 250 KUSD region.

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.

Oslo, 30th October 2018

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

Condensed Income Statement

In USD 1,000'	Note	Un-audited Q3-2018	Un-audited Q3-2017	Audited 2017	Un-audited 9M- 2018	Un-audited 9M- 2017
Operating income		37 984	-	-	52 255	-
Operating expenses		-8 776	-2 573	-8 539	-12 500	-6 618
EBITDA		**29 207**	**-2 573**	**-8 539**	**39 755**	**-6 618**
Depreciation	6	-15 840	-3 806	-15 225	-27 464	-11 419
OPERATING PROFIT/(LOSS) - EBIT		**13 367**	**-6 379**	**-23 764**	**12 292**	**-18 037**
Interest income		108	14	166	198	21
Interest expenses		-11 834	-8 117	-30 784	-34 783	-20 988
Other financial itmes		-522	-8 552	-37 523	6 673	-28 558
NET FINANCIAL ITEMS		**-12 248**	**-16 654**	**-68 141**	**-27 913**	**-49 525**
PROFIT/(LOSS) BEFORE TAX		**1 119**	**-23 033**	**-91 905**	**-15 621**	**-67 561**
NET PROFIT (LOSS)		**1 119**	**-23 033**	**-91 905**	**-15 621**	**-67 561**

Statement of Comprehensive Income

In USD 000'	Un-audited Q3-2018	Un-audited Q3-2017	Audited 2017	Un-audited 9M- 2018	Un-audited 9M- 2017
Net profit this period	1 119	-23 033	-91 905	-15 621	-67 561
Other comprehensive income			-	-	-
COMPREHENSIVE INCOME	**1 119**	**-23 033**	**-91 905**	**-15 621**	**-67 561**

Condensed Statement of Financial Position

In USD 1,000'	Note	Un-audited 30.09.2018	Un-audited 30.09.2017	Audited 31.12.2017
ASSETS				
Non-current assets:				
Property, plant and equipment	6	386 694	294 059	297 988
Prepaid construction cost		-	17 134	52 731
Total non-current assets		**386 694**	**311 194**	**350 719**
Current assets:				
Accounts receivable		13 293	313	1 656
Other current assets		12 011	936	433
Cash and cash equivalents		36 601	101 185	79 416
Total current assets		**61 904**	**102 434**	**81 505**
TOTAL ASSETS		**448 598**	**413 628**	**432 224**
EQUITY AND LIABILITIES				
Equity:				
Issued capital		19 630	19 630	19 630
Share premium			72 350	-
Retained losses		-35 177	-67 560	-19 556
Total equity		**-15 546**	**24 419**	**75**
Non-current liabilities:				
Shareholder loans	5	279 141	207 669	248 240
Other interest-bearing debt	5	-	168 354	171 948
Prepayments customers		6 079	2 831	3 594
Total long-term liabilities		**285 220**	**378 854**	**423 782**
Current liabilities:				
Accounts payable		3 528	5 367	2 606
Prepayments customers		870	1 089	1 702
Other interest-bearing debt	5	168 211	-	-
Other current liabilities		6 315	3 898	4 059
Total current liabilities		**178 924**	**10 355**	**8 367**
Total liabilities		**464 143**	**389 209**	**432 149**
TOTAL EQUITY AND LIABILITIES		**448 598**	**413 628**	**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)	-	-67 561	-	-67 561
Equity as at September 2017	**19 630**	**4 789**	**-**	**24 420**
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)	-	-	-15 621	-15 621
Equity as at September 2018 (Un-audited)	**19 630**		**-35 175**	**-15 546**

Cash Flow Statement

In USD 1,000'	Un-audited Q3-2018	Un-audited Q3-2017	Audited 2017	Un-audited 9M-2018	Un-audited 9M-2017
Net profit/(loss)	1 119	-23 033	-91 905	-15 621	-67 561
Recognized deferred revenue	-1 266	-	-	-1 688	0
Depreciation	15 840	3 806	15 225	27 464	11 419
Financial income	-108	11 412	-166	-6 871	33 910
Financial expenses	12 356	8 103	72 478	34 783	15 941
Changes in working capital	-15 532	3 776	3 838	-22 475	7 810
Net cash from operating activities	**12 409**	**4 064**	**-530**	**15 592**	**1 519**
Cash flow from investing activities					
Prepayment Upgrade of Haven- Lamprell	-	-	-28 937		
Prepayment from customer	991	1 847	2 962	3 341	1 847
Aquisition of fixed assets	-8 563	-12 354	-35 597	-63 439	-21 201
Interest received	108	14	166	198	21
Net cash from investing activities	**-7 464**	**-10 493**	**-61 406**	**-59 900**	**-19 333**
Cash flow from financing activities					
Proceeds from debt	17 242	35 000	139 998	36 276	35 000
Interest paid	-11 834	-3 000	-30 794	-34 783	-6 528
Net cash from financing activities	**5 408**	**32 000**	**109 204**	**1 493**	**28 472**
Net change in cash and cash equivalents	10 353	25 571	47 268	-42 815	69 039
Cash and cash equivalents, opening balance	26 248	75 616	32 148	79 416	32 148
Cash and cash equivalents, closing balance	**36 601**	**101 187**	**79 416**	**36 601**	**101 187**

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 Q3 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. 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 1.8 MUSD (1.9 MUSD) has been paid YTD 2018.

5. Debt overview

30.09.2018

(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	115 563	12 %	191 857
65,6 MUSD Term loan facility	Master Marine AS		65 600	16 %	87 284
Long-term interest bearing debt - USD					**279 141**

30.09.2018

(1.000 USD) **Description**	**Lender/Trustee**	**Nominal amount EURO**	**Nominal amount USD**	**Interest rate**	**Book value (incl accrued interests) USD**
146 MEUR Bond loan	Nordic Trustee AS.	146 000	169 761	7 %	168 211
Short-term interest bearing debt - USD					**168 211**

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

Due to the fact that the maturity date for the bond loan is in July 2019, it has been reclassified from a long-term liability to a short-term liability. For details regarding the refinancing process, see Financial, under section Finance.

6. Non-current assets

(1.000 USD)	**Un-audited 30.09.18**	**Un-audited 30.06.18**	**Un-audited 31.03.18**	**Audited 31.12.17**
Opening balance	310 108	302 074	297 989	284 277
Additions	92 426	15 851	7 891	28 937
Disposals		0	0	0
Depreciation	-15 840	-7 817	-3 806	-15 225
Closing balance	**386 694**	**310 108**	**302 074**	**297 989**

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

Prepaid construction cost under Non-current assets was reclassified to Property, plant and equipment in 3Q 2018.

7. Cash flow statement

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