JACKTEL

INTERIM REPORT

Q4 2014

Highlights Fourth Quarter 2014

- Accommodation unit HAVEN operated successfully with 100% uptime throughout the quarter.

Operations

HAVEN has also this quarter performed with full uptime and charter hire earnings throughout the quarter, logging 41 consecutive months with 100% uninterrupted availability to ConocoPhillips and a strong HSEQ track record including zero Lost Time Incidents since commencement of operation.

Operation during the quarter was satisfactory, with high bed capacity utilization and no major incidents. Haven has withstand several harsh winter storms without any operational or financial interruption.

During the fourth quarter, management continued their efforts to identify new charter contracts. Management has increased its marketing focus from the North Sea to other regions where a high end jack up unit can be utilized at acceptable rates. This work is ongoing and allows management to gain additional insight into the world-wide accommodation market and identify further contract opportunities. Although the market environment is slow due to the general reduction in oil majors CAPEX spending and low oil price, management continue to pursue opportunities for work beyond the current contract.

Financial development and results

(Figures in brackets refer to the corresponding period of 2013)

The Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB) and IFRIC as approved by the European Union.

Finance
The company has currently one outstanding bond amounting to 95 MEUR, whereas the first interest installment was paid in October. The bond loan carries a coupon of 7% and is secured by a 1st lien mortgage on Haven.

Financial results for the fourth quarter 2014
The operating income for the fourth quarter was 22 MEUR (17.5 MEUR) and the operating expenses were 5.9 MEUR (5.4 MEUR). This resulted in an EBITDA of 16.1 MEUR (12.1 MEUR) and an operating loss of 68.6 MEUR (profit 7.5 MEUR). The operating loss is a result of an 80 MEUR impairment of Haven as a consequence of changed market conditions.

Net financial items for fourth quarter equal a cost of 8.8 MEUR (10.1 MEUR), whereas 1.6 MEUR relates to interest payable on the bond loan and 7.8 MEUR relates to interest accrued on shareholder loans.

This resulted in a net loss for the fourth quarter of 77.4 MEUR (2.7 MEUR).

Cash flow and liquidity
The positive cash flow from operations during the fourth quarter stems from 100% availability and no unexpected cost related to the operation of Haven. Operational cash flow (excluding the non-recurrent items) was satisfactory and in line with projections.

The Board of Directors considers the company's liquidity position to be adequate and confirms that the assumption of going concern forms the basis for the quarterly accounts. The company has long term financing in place and generates a positive cash flow from operations under the current contract with ConocoPhillips. The cash generation from current contract gives the company operational flexibility and the ability to operate over a longer period even with no charter contract.

Risk
The Board are aware that the value of the rig is sensitive to several factors. As a result of the lack of short term future prospects and pressure on the day rates due to lower demand for accommodation services the value of Haven has been reduced by 80 MEUR.

The company is exposed to general business market risk, including credit risk on its one client and revenue risk after the current charter hire contract expires in July 2015. Management considers the credit risk to be marginal and continue its pursuit for a new charter hire contract to secure future revenues.

Future Prospects

Future prospects for the company depend on developments in the offshore market for support services to the oil and gas industry.

In general fourth quarter has been characterized by no relevant accommodation contracts awarded and very low tender activity. The reductions in the oil companies E&P spending hits throughout the offshore market, including the accommodation market. Management expect tender activity to increase somewhat late in Q1 or early Q2 2015.

The company remain optimistic, for the longer term outlook, driven by a few large green field developments as well as several maintenance and upgrade projects under way or at an advanced stage in the planning phase. The company remains positive about future awards due to Havens comparative advantage for year around operation.

Statement from the Board of Directors and CEO

We confirm that, to the best of our knowledge, the un-audited financial statements for the fourth quarter of 2014, which have been prepared in accordance with IAS 34 Interim Financial Statements, give a true and fair review of the company's assets, liabilities, financial position and profit and loss of the company.

Oslo, 5 February 2015

Bjørn Henriksen **Chairman**	**Thomas Eik Gabestad** **Director**	**Kjetil Bollestad** **CEO** **Jacktel AS**

Condensed Income Statement

In EUR 1,000'	Non-audited Q4-2014	Non-audited Q4-2013	Audited 2013	Non-audited 2014
Operating income	22 018	17 504	70 361	78 025
Operating expenses	-5 880	-5 399	-22 860	-25 089
EBITDA	**16 138**	**12 105**	**47 502**	**52 936**
Depreciation	-4 737	-4 656	-18 343	-18 681
Impairment	-80 000	0	0	-80 000
OPERATING PROFIT- EBIT	**-68 599**	**7 449**	**29 159**	**-45 745**
Interest income	18	40	70	50
Interest expenses	-9 486	-10 074	-40 341	-37 780
Other financial expenses	638	-69	-240	-1 310
NET FINANCIAL ITEMS	**-8 830**	**-10 104**	**-40 511**	**-39 040**
PROFIT/(LOSS) BEFORE TAX	**-77 428**	**-2 655**	**-11 352**	**-84 784**
Income tax expense (benefit)	-	-	-	-
NET PROFIT (LOSS)	**-77 428**	**-2 655**	**-11 352**	**-84 784**

Statement of Comprehensive Income

In EUR 1,000'	Non-audited Q4-2014	Non-audited Q4-2013	Audited 2013	Non-audited 2014
Net profit this period	-77 428	-2 655	-11 352	-84 784
Other comprehensive income		602	602	372
COMPREHENSIVE INCOME	**-77 428**	**-2 053**	**-10 750**	**-84 412**

Earnings per share:

- Basic	-1,55	-0,05	-0,23	-1,70
- Diluted	-1,55	-0,05	-0,23	-1,70

Statement of Financial Position

In EUR 1,000'	Non-audited 31.12.2014	Audited 31.12.2013
ASSETS		
Non-current assets:		
Property, plant and equipment	347 294	443 894
Other non-current assets	1 791	
Total non-current assets	**349 085**	**443 894**
Current assets:		
Accounts receivable	6 676	10 067
Other current assets	2 226	1 358
Cash and cash equivalents	36 351	29 670
Total current assets	**45 252**	**41 096**
TOTAL ASSETS	**394 337**	**484 990**
EQUITY AND LIABILITIES		
Equity:		
Issued capital	12 191	12 191
Share premium	39 907	124 319
Total equity	**52 097**	**136 510**
Non-current liabilities:		
Shareholder loans	236 020	230 116
Other interest-bearing debt	95 000	67 500
Prepayments customers	0	5 415
Other non-current liabilities	0	1 872
Total long-term liabilities	**331 020**	**304 904**
Current liabilities:		
Accounts payable	619	183
Prepayments customers	5 358	9 418
Other interest-bearing debt	0	25 339
Other current liabilities	5 243	8 636
Total current liabilities	**11 221**	**43 576**
Total liabilities	**342 240**	**348 480**
TOTAL EQUITY AND LIABILITIES	**394 337**	**484 990**

Statement of changes in Equity

In EUR 000'	Q4-2014	Q4-2013	2013	2014
Equity at the beginning of the period	**129 526**	**96 386**	**105 083**	**136 510**
Comprehensive income for the period	-77 428	-2 053	-10 750	-84 412
Issue of shares		42 176	42 176	
Equity at the end of the period	**52 097**	**136 510**	**136 510**	**52 097**

Cash Flow Statement

In EUR 1,000'	Q4-2014	Q4-2013	2013	2014
Net profit/(loss)	-77 428	-2 654	-11 352	-84 784
Depreciation and Impairment	84 737	4 656	18 343	98 681
Other adjustments non-cash items	0	-602	-602	-372
Net interest	7 167	10 103	40 511	36 332
Changes in working capital	6 546	-911	-10 397	-6 569
Net cash from operating activities	**21 021**	**10 592**	**36 503**	**43 287**
Cash flow from investing activities				
Proceeds from sale of equipment	0	23	4 875	50
Aquisition of fixed assets	-915	-189	-2 957	-2 223
Interest received	18	40	70	50
Net cash from investing activities	**-897**	**-126**	**1 988**	**-2 122**
Cash flow from financing activities				
Repayment of debt	0	-5 500	-30 000	-124 500
Proceeds from debt	0	0	0	95 000
Interest paid	-1 663	-1 799	-5 750	-4 983
Net realized agio	0	-84	-84	
Net cash from financing activities	**-1 663**	**-7 299**	**-35 834**	**-34 483**
Net change in cash and cash equivalents	18 462	3 221	2 657	6 681
Cash and cash equivalents, opening balance	17 889	26 449	27 013	29 670
Cash and cash equivalents, closing balance	**36 351**	**29 670**	**29 670**	**36 351**

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 2013.

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 2013.

The impairment is based on certain future market estimates such as dayrate, utilization and discount rate, which must be considered only as judgemental assumptions made by the company at its best knowledge.

4. Related party transactions

Jacktel AS renegotiated its loans with the parent company, Master Marine AS, on 18th June. The former seven loans, as detailed in the Annual Report for 2013, were consolidated into two loans in the amount of 99.829.776 EUR and 151.600.644 EUR. Both loans have interest accruing on a three months basis and are unsecured. No specific related party transactions have been performed during Q4.

5. Debt overview

31.12.2014

(1.000 EUR) **Description**	**Lender**	**Nominal amount**	**Interest rate**	**Book value (incl capitalized interests)**
99,8 MEUR Term loan facility	Master Marine AS	99 830	12 %	105 909
151 MEUR Term loan facility	Master Marine AS	151 601	15 %	130 110
95 MEUR Bond loan	Nordic Trustee ASA	95 000	7 %	95 000
Total interest bearing debt				**331 020**

During Q2 and Q3 the Company restructured its debt, see the Annual Report for 2013 for comparison. There has been no new debt transactions during Q4.

6. Non-current assets

(1.000 EUR)	**Non-audited Q4 2014**	**Non-audited YTD 2014**	**Audited 2013**
IB	431 116	443 894	464 155
Additions	915	2 223	2 957
Disposals	0	-142	-4 875
Depreciation	-4 737	-18 681	-18 343
Impairment	-80 000	-80 000	
Other non-current assets	-93	1 791	
UB	**349 085**	**349 085**	**443 894**

The Company's only non-current asset are the accommodation rig Haven and the accrual cost related to the bond loan.