INTERIM REPORT

Q4/2017

Fourth Quarter 2017

Operations

The maintenance and upgrade projects are progressing according to plan and within budget. The new leg sections and suction caissons arrived Bergen late January 2018, and are currently being installed. The project is on track to be completed 2Q, 2018, well ahead of being mobilized to Johan Sverdrup.

In addition to the upgrade, the main focus is operational preparedness, which includes recruitment of crew, training etc. Current manning onboard Haven is 14 and will gradually increase to 25.

OPEX during Q4 was around USD 13.000 per day.

Financial

The Interim Financial Statements are prepared in accordance with IAS 34

Quarterly figures, Q4 2018
(Figures in brackets refer to the corresponding period of 2016)

As Haven remains in layup, the company did not generate any operating income in Q4, 2017 (0 MUSD). Operating expenses equaled 1.9 MUSD (2.4 MUSD), of which 1.2 MUSD relates to vessel OPEX whereof 0.8 MUSD is cost related to the move of Haven from Eydehavn to CCB outside of Bergen, and 0.7 MUSD relates to management fee to Jacktel's parent company, Master Marine AS. This resulted in an EBITDA of -1.9 MUSD (-2.4 MUSD) and an operating loss of 5.7 MUSD (loss of 6.4 MUSD).

Interest expenses for the last quarter equaled 9.8 MUSD (6.0 MUSD), of which 3.0 MUSD relate to interest payable on the bond loan and 6.8 MUSD relate to interest accrued on shareholder loans. Unrealized foreign exchange loss on the Euro bond loan and deposits in NOK totaled 9.0 MUSD.

Net loss for the fourth quarter equaled 24.3 MUSD (profit of 2.5 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 of various engineering services totaled 8.5 MUSD (14.7 MUSD), of which 6.0 MUSD relates to vessel OPEX and 2.5 MUSD relates to management fee to Jacktel's parent company, Master Marine AS. This resulted in an EBITDA of -8.5 MUSD (1.0 MUSD) and an operating loss of 23.8 MUSD (loss of 14.1 MUSD).

Total interest expenses for the year equaled 30.8 MUSD (23.9 MUSD), of which 10.0 MUSD relate to interest payable on the bond loan and 20.8 MUSD relate to interest accrued on shareholder loans. Unrealized foreign exchange loss on the Euro bond loan and deposits in NOK equaled 37.5 MUSD.

Net loss as of 2017, totaled 91.9 MUSD (loss of 29.4 MUSD).

Finance
Jacktel has drawn 65.6 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 Q4 2017
The Company generated a negative cash flow of 21 MUSD for the quarter and will continue to generate negative cash flow until the commencement of the Johan Sverdrup contract late Q2 2018. The company is however fully financed until the commencement of the contract.

Shareholder's equity as at 31 December 2017 amounts to 0.8 MUSD. Based on the Johan Sverdrup contract and the future outlooks in the longer term, it is expected that Jacktel will obtain positive net profit for 2019 and the following years. In addition Jacktel is partly financed by a shareholder loan that is subordinated other loans.

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 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 vessel.

Future Prospects

The market remains quiet with few specific contract opportunities. Competitors have secured acceptable utilization for their modern North Sea units for the next few months, while older units remain idle and are laid up. As of today there are few long term contract opportunities in the market.

In the longer term increased demand should be expected on the back of the strengthening oil price. Most oil companies are currently generating strong cash flows, and most fields are financially attractive at oil prices around USD 60 – 70 per barrel. As most budgets were approved when the oil price hovered around USD 50 / barrel, few contract opportunities are expected for 2018. Assuming the oil price remains at current level, the activity is expected to increase in the longer term.

Oslo, 8 February 2018

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

Condensed Income Statement

In USD 1,000'	Note	Un-audited Q4-2017	Un-audited Q4-2016	Audited 2016	Un-audited 12M- 2017
Operating income				15 640	
Operating expenses		-1 921	-2 426	-14 654	-8 539
EBITDA		**-1 921**	**-2 426**	**986**	-8 539
Depreciation	6	-3 806	-3 972	-15 096	-15 225
OPERATING PROFIT- EBIT		**-5 728**	**-6 398**	**-14 110**	**-23 764**
Interest income		145	6	27	166
Interest expenses		-9 796	-5 961	-23 861	-30 784
Other financial income					
Other financial expenses		-8 965	14 878	8 507	-37 523
NET FINANCIAL ITEMS		**-18 616**	**8 922**	**-15 327**	**-68 141**
PROFIT/(LOSS) BEFORE TAX		**-24 343**	**2 524**	**-29 437**	**-91 905**
NET PROFIT (LOSS)		**-24 343**	**2 524**	**-29 437**	**-91 905**

Condensed Statement of Financial Position

In USD 1,000'	Note	Un-audited 31.12.2017	Audited 31.12.2016	Audited 31.12.2015
ASSETS				
Non-current assets:				
Property, plant and equipment	6	297 988	284 276	293 235
Prepaid construction cost		52 731	17 134	
Total non-current assets		**350 719**	**301 411**	**293 235**
Current assets:				
Accounts receivable		1 656	30	4 833
Other current assets		433	1 229	5 835
Cash and cash equivalents		79 416	32 148	53 841
Total current assets		**81 504**	**33 407**	**64 509**
TOTAL ASSETS		**432 224**	**334 817**	**357 744**
EQUITY AND LIABILITIES				
Equity:				
Issued capital		19 630	19 630	23 018
Share premium		72 350	72 350	115 108
Uncovered loss		-91 905		
Currency translation reserve				-16 709
Total equity		**76**	**91 981**	**121 417**
Non-current liabilities:				
Shareholder loans	5	248 240	140 240	130 163
Other interest-bearing debt	5	171 948	98 257	102 212
Prepayments customers		3 594	632	
Total long-term liabilities		**423 782**	**239 129**	**232 374**
Current liabilities:				
Accounts payable		2 606	1 134	1 036
Prepayments customers		1 702		
Other current liabilities		4 058	2 573	2 917
Total current liabilities		**8 366**	**3 708**	**3 953**
Total liabilities		**432 148**	**242 837**	**236 327**
TOTAL EQUITY AND LIABILITIES		**432 224**	**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)		-29 437		-29 437
Equity as at December 2016 (Audited)	**19 630**	**72 351**		**91 981**
Net income (loss)			-91 905	-91 905
Equity as at December 2017 (Un-audited)	**19 630**	**72 351**	**-91 905**	**76**

Condensed Cash Flow Statement

In USD 1,000'	**Q4-2017**	**Q4-2016**	**2016**	**12M-2017**
Net profit/(loss)	-24 343	2 524	-29 437	-91 905
Depreciation	3 806	3 972	15 096	15 225
Unrealized foreign exchange differences related to cash and financing activities	8 993	-14 756	-9 358	36 969
Net interest	9 651	5 957	24 110	25 592
Changes in working capital	-4 824	235	9 853	3 427
Net cash from operating activities	**-6 716**	**-2 068**	**10 264**	**-10 692**
Cash flow from investing activities				
Proceeds from sale of equipment				
Prepayment Upgrade of Haven- Lamprell	-35 597	-17 134	-17 134	-35 597
Prepayment from customer	763	489	632	3 571
Aquisition of fixed assets	-7 735	-2 377	-6 825	-28 937
Interest received	145	6	27	166
Net cash from investing activities	**-42 424**	**-19 016**	**-23 301**	**-60 797**
Cash flow from financing activities				
Proceeds from issue of shares and convertible bond				
Repayment of debt				
Proceeds from debt	37 709			144 151
Interest paid	-9 796	-1 786	-7 218	-30 784
Net realized agio				
Net cash from financing activities	**27 913**	**-1 786**	**-7 218**	**113 367**
Net inrease/(decrease) in cash and cash equivalents	-21 227	-22 869	-20 821	41 878
Net foreign exchange differences	-543	-2 448	-871	5 391
Cash and cash equivalents, opening balance	101 186	57 465	53 841	32 148
Cash and cash equivalents, closing balance	**79 416**	**32 148**	**32 148**	**79 417**

Notes to the interim report

1. General information

Jacktel AS is a 100% owned 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.

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

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 2.5 MUSD (3.0 MUSD) has been accrued in 2017.

5. Debt overview

31.12.2017

(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	119 726	12 %	181 097
146 MEUR Bond loan	Nordic Trustee ASA	146 000	175 099	7 %	171 948
65,6 MUSD Term loan facility	Master Marine AS		65 600	16 %	67 143
Total interest bearing debt - USD					**420 188**

*) 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 YTD 2017**	**Audited 2016**
01.01.2017	284 276	293 235
Additions	28 937	6 136
Disposals		
Depreciation	-15 225	-15 096
Impairment		
31.12.2017	**297 988**	**284 276**

The Company's only non-current asset is the accommodation rig Haven.
In total Jacktel has pre-paid 52.7 MUSD to Lamprel, of which 35.6 MUSD has been paid in 2017. The payments relate to the new suction caissons and legs.

Haven is currently in lay-up for modifications and upgrading related to future charter contract with Statoil.