INTERIM REPORT

Q4 2018

Fourth Quarter 2018

Operations

Haven has been located at the Johan Sverdrup field during the entire quarter. The operational performance has been strong, with 100% gangway connection. The predictable gangway connection is of utmost importance for clients in order to maintain a high productivity for offshore workers. It further enhances oil companies' ability to plan work and meet established deadlines.

Daily operating cost equaled 46 KUSD during Q4

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 2017)

The operating income for Q4 amount to 37.9 MUSD (0.0 MUSD), of which Charter hire amounts to 32.9 MUSD. Other income of 5.0 MUSD relates to catering services, as well as other additional services.

Operating expenses equaled 8.5 MUSD (1.9 MUSD), of which 4.2 MUSD relate to vessel OPEX and 3.0 MUSD to costs to be reimbursed by Equinor. A corresponding income is included in operating income for Q4. Additional 1.3 MUSD relate to technical management fee and SG&A costs. This resulted in an EBITDA of 29.5 MUSD (-1.9 MUSD) and an operating profit of 10.9 MUSD (loss of 5.7 MUSD). Upgrade and modification costs have been depreciated from the date Haven commenced the operation.

Interest expense for the fourth quarter equaled 11.7 MUSD (9.8 MUSD), of which 3.6 MUSD relate to interest payable on the bond and bank loans, and 8.1 MUSD relate to interest accrued on the shareholder loan.
In December Jacktel refinanced the 146 MEUR bond loan with a new 150 MUSD bond loan and a 100 MUSD bank loan. Other financial items include cost related to the settlement of the former bond loan (MUSD 2.3), loan amortisation cost (1.7 MUSD) and currency exchange gain (3.9 MUSD).

Net loss for the fourth quarter amounts to 0.8 MUSD (24.3 MUSD).

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

Operating income amounted to 90.2 MUSD (0.0 MUSD). Operating expenses equaled 21.0 MUSD (8.5 MUSD), of which 10.0 MUSD relate to vessel OPEX and 7.1 MUSD relate to cost reimbursable by Equinor. In addition 3.9 MUSD relate to technical management fee, SG&A costs and non-recurring costs. This resulted in an EBITDA of 69.2 MUSD (-8.5 MUSD) and an operating profit of 23.2 MUSD (loss of 23.8 MUSD).

Accumulated interest expenses per December equaled 46.5 MUSD (30.8 MUSD), of which 12.8 MUSD relate to interest payable on the bank and bond loans, and 33.7 MUSD relate to interest accrued on shareholder loans. Unrealized foreign exchange gain on debt denominated in Euros amounts to 12.4 MUSD. Amortized cost and refinancing cost related to the bond and bank loans amounts to 5.8 MUSD.

Net loss for 2018 equaled 16.4 MUSD (loss of 91.9 MUSD).

Finance

Master Marine and Jacktel concluded the refinancing early December 2018. Following the refinancing Jacktel is financed through a Bond Loan of USD 150 million and a Bank Loan of USD 100 million. The loans carry an interest of 10% and Libor + 2.5% respectively. The Bond Loan has a term of 5 years, while the Bank Loan will be repaid over a period of 12 months. Repayment period of the Bank Loan is matched with the contract period of the Johan Sverdrup contract. The new loan facilities carry a "no leakage provision", preventing Jacktel paying interest or installments on the shareholder loan from its parent Master Marine.

Jacktels parent, Master Marine, is in the process of restructuring and strengthening its balance sheet through conversion of a Shareholder loan to Equity. Following this restructuring Jacktel will commence a process to evaluate the possibility to convert parts of the short-term shareholder loan from Master Marine to equity.

As of 31 December 2018, shareholders equity is negative by 16.3 MUSD, but the cash flow from the Johan Sverdrup contract makes Jacktel able to meet its obligations including payment of interest on the 3rd party debt. Shareholders Equity including shareholders loan (where interest is accruing, but not payable short term) equaled USD 167 million.

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 debt in EUR. The currency risk is monitored on a continuous basis and use of derivates to reduce the risk is considered regularly. Per year end the company does not have any derivatives. 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. Tendering activity has increased, and most assets, which are not cold stacked, have secured work for most of 2019. Day rates have increased, reflecting a tighter supply demand balance. One old semi is planned to be reactivated during summer season 2019. Further we have seen that players who previously offered vessels in the North Sea at day rates of around USD 100,000 have increased day rates on new contracts, by more than 50%. The board sees this as confirmation that most players will demand sustainable day rates going forward.

Tendering activity in more remote areas has also developed positively. Two 3-year contracts are expected to be awarded by Petrobras in Brazil. The successful bidders have offered low day rates even for advanced new build semis. It is however positive that these areas absorb tonnage, and the board expect that this ultimately will facilitate a tighter supply / demand balance in the North Sea.

Oslo, 14th February 2019

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

Condensed Income Statement

In USD 1,000'	Note	Un-audited Q4-2018	Un-audited Q4-2017	Audited 2017	Un-audited 12M- 2018
Operating income		37 938	-	-	90 240
Operating expenses		-8 472	-1 921	-8 539	-21 019
EBITDA		**29 466**	**-1 921**	**-8 539**	**69 221**
Depreciation	6	-18 606	-3 806	-15 225	-46 070
OPERATING PROFIT/(LOSS) - EBIT		**10 860**	**-5 728**	**-23 764**	**23 151**
Interest income		136	145	166	334
Interest expenses		-11 718	-9 796	-30 784	-46 501
Other financial items		-57	-8 965	-37 523	6 616
NET FINANCIAL ITEMS		**-11 639**	**-18 616**	**-68 141**	**-39 552**
PROFIT/(LOSS) BEFORE TAX		**-780**	**-24 343**	**-91 905**	**-16 401**
NET PROFIT (LOSS)		**-780**	**-24 343**	**-91 905**	**-16 401**

Statement of Comprehensive Income

In USD 000'	Un-audited Q4-2018	Un-audited Q4-2017	Audited 2017	Un-audited 12M- 2018
Net profit this period	-780	-24 343	-91 905	-16 401
Other comprehensive income			-	-
COMPREHENSIVE INCOME	**-780**	**-24 343**	**-91 905**	**-16 401**

Condensed Statement of Financial Position

In USD 1,000'	Note	Un-audited 31.12.2018	Audited 31.12.2017
ASSETS			
Non-current assets:			
Property, plant and equipment	6	371 638	297 988
Prepaid construction cost			52 731
Total non-current assets		**371 638**	**350 719**
Current assets:			
Accounts receivable		26 956	1 656
Other current assets		1 114	433
Cash and cash equivalents		25 944	79 416
Total current assets		**54 014**	**81 505**
TOTAL ASSETS		**425 652**	**432 224**
EQUITY AND LIABILITIES			
Equity:			
Issued capital		19 630	19 630
Retained losses		-35 956	-19 556
Total equity		**-16 326**	**75**
Non-current liabilities:			
Shareholder loans	5	-	248 240
Other interest-bearing debt	5	146 880	171 948
Prepayments customers		-	3 594
Total long-term liabilities		**146 880**	**423 782**
Current liabilities:			
Accounts payable		3 403	2 606
Prepayments customers		6 175	1 702
Shareholder loans	5	183 119	-
Other interest-bearing debt	5	98 942	-
Other current liabilities		3 459	4 059
Total current liabilities		**295 098**	**8 367**
Total liabilities		**441 978**	**432 149**
TOTAL EQUITY AND LIABILITIES		**425 652**	**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)	-	-27 822	-19 554	-47 376
Equity as at December 2017 (Audited)	**19 630**	**-**	**-19 554**	**75**
Other comprehensive income	-	-	-	-
Net income (loss)	-	-	-16 401	-16 401
Equity as at December 2018 (Un-audited)	**19 630**		**-35 955**	**-16 326**

Cash Flow Statement

In USD 1,000'	Un-audited Q4-2018	Un-audited Q4-2017	Audited 2017	Un-audited 2018
Net profit/(loss)	-780	-24 343	-91 905	-16 401
Recognized deferred revenue	-2 084	-	-	-3 350
Depreciation	18 606	3 806	15 225	46 070
Financial income	-136	-145	-166	-334
Financial expenses	11 775	18 247	74 067	39 885
Changes in working capital	-5 747	-4 824	2 239	-25 784
Net cash from operating activities	**21 634**	**-7 259**	**-540**	**40 086**
Cash flow from investing activities				
Prepayment Upgrade of Haven- Lamprell	-	-35 597	-28 937	-
Prepayment from customer	-	763	2 962	879
Aquisition of fixed assets	-3 550	-7 735	-35 597	-66 989
Interest received	136	145	166	334
Net cash from investing activities	**-3 414**	**-42 424**	**-61 406**	**-65 776**
Cash flow from financing activities				
Proceeds from/(repayment of) debt	-17 159	37 709	139 998	18 719
Interest paid	-11 718	-9 796	-30 784	-46 501
Net cash from financing activities	**-28 877**	**27 913**	**109 214**	**-27 782**
Net change in cash and cash equivalents	-10 657	-21 770	47 268	-53 472
Cash and cash equivalents, opening balance	36 601	101 186	32 148	79 416
Cash and cash equivalents, closing balance	**25 944**	**79 416**	**79 416**	**25 944**

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 Q4 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.

IFRS 16 replaces IAS 17 with effect from 1 January 2019. The implementation of IFRS 16 is mandatory and will affect all financial years starting on or after that date. Both full retrospective approach and modified retrospective approach are accepted. Jacktel will apply the modified retrospective approach effective from 1 January 2019. Prior period financial information will not be restated. Jacktel AS as lessor, does not expect any changes due to the implementation of IFRS 16. Jacktel AS as lessee will measure and recognize a right of use asset and a corresponding financial liability for the rental agreements related to the office facilities. The impact on the income statement and the statement of financial position will be immaterial.

4. **Related party transactions**

Jacktel AS has a management agreement with its parent company, Master Marine AS, for which 3.2 MUSD (2.5 MUSD) has been paid in 2018. For specification of shareholder loan and interest rate from Master Marine AS, please see note 5.

5. Debt overview

31.12.2018

(1.000 USD) **Description**	**Lender/Trustee**	**Nominal amount EURO**	**Nominal amount USD**	**Interest rate**	**Book value (incl accrued interests) USD**
150 MUSD Bond Loan	Nordic Trustee AS.	N/A	150 000	10 %	146 880
Long-term interest bearing debt - USD					**146 880**

31.12.2018

(1.000 USD) **Description**	**Lender/Trustee**	**Nominal amount EURO**	**Nominal amount USD**	**Interest rate**	**Book value (incl accrued interests) USD**
100 MUSD Bank loan	DNB bank ASA	N/A	100 000	1 month LIBOR + 2,5%	98 942
99,8 MEUR Term loan facility	Master Marine AS	99 830	114 305	12 %	183 119
Short-term interest bearing debt - USD					**282 061**

For further information about debt, please see the Finance part under section Financial.

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

6. Non-current assets

(1.000 USD)	**Un-audited 31.12.18**	**Un-audited 30.09.18**	**Un-audited 30.06.18**	**Un-audited 31.03.18**	**Audited 31.12.17**
Opening balance	386 694	310 108	302 074	297 989	284 277
Additions	3 550	92 426	15 851	7 891	28 937
Disposals			0	0	0
Depreciation	-18 606	-15 840	-7 817	-3 806	-15 225
Closing balance	**371 638**	**386 694**	**310 108**	**302 074**	**297 989**

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

7. Cash flow statement

Interest expenses on the shareholder loans are added to the principal loan amount.