



Presentation

3Q 2017

- 27. October 2017-

Disclaimer

This presentation (the "Presentation") has been produced by Master Marine and Jacktel AS (the "Issuer", "Parties", "Master Marine" or "Jacktel"), solely for use at the presentation to investors and may not be produced or redistributed, in whole or in part, to any other person. This Presentation is strictly confidential and may not be reproduced or redistributed, in whole or in part, to any other person. The Issuer makes no representation or warranty, express or implied, as to the accuracy or completeness of this Presentation or of the information contained herein and shall have no liability for the information contained in, or any omissions from, this Presentation, nor for any of the written, electronic or oral communications transmitted to the recipient in the course of the recipient's own investigation and evaluation of the Issuer. Nothing contained in this Presentation is or can be relied upon as a promise or representation by the Parties, who disclaims all and any liability, contingent or otherwise, to any investor or third parties, or any responsibility whatsoever, for the correctness, quality, accuracy, pricing, reliability, performance or completeness of the data or information provided herein or for any other aspect of the performance of these materials.

This material may include estimates and projections and involve significant elements of subjective judgment and analysis. By attending or receiving this Presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Issuer and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Issuer's business.

This Presentation and the information contained herein is furnished on a confidential basis exclusively for your use and retention. This confidential document is for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any bonds described herein. The bonds may not be purchased except pursuant to the bond documents which should be reviewed in its entirety prior to investment. Potential investors are urged to consult a professional advisor regarding the possible economic, tax, legal, or other consequences of entering into any investments or transactions described herein.

The contents of this Presentation are not to be construed as financial, legal, business, investment, tax or other professional advice. Each recipient should consult with its legal, business, investment and tax advisors as to legal, business, investment and tax advice.

This Presentation speaks as of August 2017. There may have been changes in matter which affect the Issuer subsequent to the date of this Presentation. Neither the issue nor delivery of this Presentation shall under any circumstance create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that the affairs of the Issuer have not since changed.

This Presentation includes and is based on, among other things, forward-looking information and statements relating to the business, financial performance and results of the Issuer and/or the industry in which it operates. Such forward-looking information and statements are based on the current expectations, estimates and projection of the Issuer or assumptions based on information available to the Issuer. The forward-looking statements, including assumptions, opinions and views of the Issuer or cited from third party sources, are solely opinions and forecasts which are subject to numerous known and unknown risks, uncertainties, assumptions and changes in circumstances, many of which are beyond the Issuer's control, and other factors that may cause actual events to differ materially from any anticipated development. The Issuer cannot give any assurance as to the correctness of such information and statements.

An investment in bonds involves a high level risk, and several factors could cause the actual results, performance or achievements of the Issuer to be materially different from any future results, performance or achievements that may be expressed or implied by statements and information in this Presentation, including, among others, risks or uncertainties associated with the Issuer's business, segments, development, growth management, financing, market acceptance and relations with customers, and more generally, general economics and business conditions, changes in domestic and foreign laws and regulations, taxes, changes in competition and pricing environments, fluctuations in currency exchange rates and interest rates and other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document the Issuer does not intend, and does not assume any obligation to update or correct the information included in this Presentation.

This Presentation may not be distributed, reproduced or used without the express written consent of the Issuer, or for any purpose other than the evaluation of the proposed Bond Issue by the person to whom this Presentation is first delivered.

This Presentation is confidential and is being communicated in the United Kingdom to persons who have professional experience, knowledge and expertise in matters relating to investments and are "investment professionals" for the purposes of article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and only in circumstances where, in accordance with section 86(1) of the Financial and Services Markets Act 2000 ("FSMA") the requirement to provide an approved prospectus in accordance with the requirement under section 85 FSMA does not apply. Consequently, the investor understands that the bonds may be offered only to "qualified investors" for the purposes of sections 86(1) and 86(7) FSMA, or to limited numbers of UK investors, or only where minima are placed on the consideration or denomination of securities that can be made available (all such persons being referred to as "relevant persons"). This presentation is only directed at qualified investors and investment professionals. Other persons should not rely on or act upon this presentation or any of its contents. Any investment or investment activity to which this communication relates is only available to and will only be engaged in with investment professionals.

In relation to the United States and U.S. persons, this presentation is strictly confidential and is being furnished solely in reliance on applicable exemptions from the registration requirements under the U.S. Securities Act of 1933, as amended. The bonds have not and will not be registered under the U.S. Securities Act or any state securities laws, and may not be offered or sold within the United States, or to or for the account or benefit of U.S. persons, unless an exemption from the registration requirements of the U.S. Securities Act is available. accordingly, any offer or sale of bonds will only be offered or sold (i) within the United States, or to or for the account or benefit of U.S. persons, only to qualified institutional buyers ("QIBs" in private transactions not involving a public offering) or a "Major U.S. Institutional Investor" as defined in Sec Rule 15a-6 to the U.S. Exchange Act of 1934 and (ii) outside the United States in accordance with regulations. Any purchaser of bonds in the United States, or to or for the account of U.S. persons, will be deemed to have made certain representations and acknowledgements, including without limitation that the purchaser is a "QIB" or a "Major U.S. Institutional Investor".

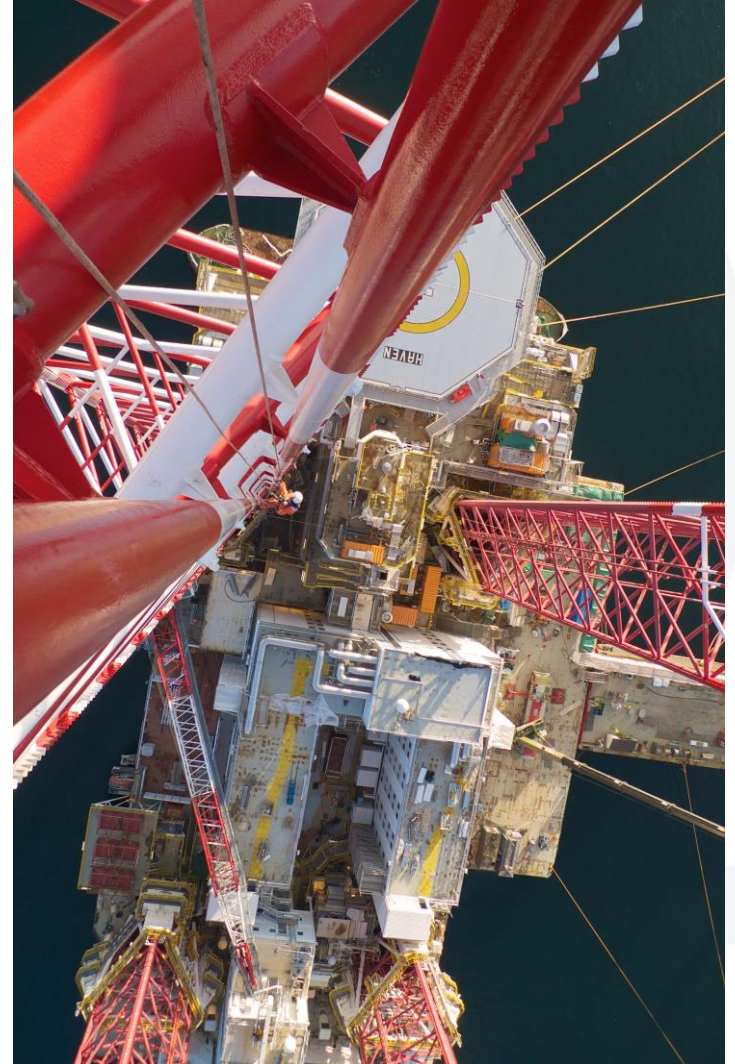
The distribution of the bonds in Canada is being made only on a private-placement basis, thus exempting it from the requirement that the Issuer prepare and file a prospectus with the applicable securities regulatory authorities. The bonds are being offered in those jurisdictions and to those persons where and to whom they may lawfully be offered for sale, and therein only by persons permitted to sell such securities.

The bonds will not be registered under the applicable securities laws of Australia or Japan and may not be offered, sold, resold or delivered, directly or indirectly, in or into Australia or Japan except pursuant to an applicable exemption from applicable securities laws.

This Presentation is subject to Norwegian law, and any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of Norwegian courts. This material is strictly confidential and should not be disclosed to anyone except by written approval by Master Marine or Jacktel.

Summary

- Upgrade project progressing according to plan and budget
- Company fully financed until commencement of Johan Sverdrup project
- Operations and compliance related repairs progressing in line with previous guiding
- Daily opex excluding non recurring items and project related cost at around USD 13,000
- EBITDA for the quarter of USD -2.69 mill.
- Currency exchange loss of USD 8.9 mill and a net loss of USD 26.7 mill



Condensed Income Statement

In USD 1,000'	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	-2 687	-4 069	-14 522	-6 834	-12 146
EBITDA	-2 687	-2 026	1 118	-6 834	3 494
Depreciation	-3 807	-3 722	-15 122	-11 420	-11 150
OPERATING PROFIT- EBIT	-6 494	-5 749	-14 005	-18 254	-7 656
Interest income	168	11	32	252	22
Interest expenses	-11 490	-6 230	-24 281	-25 601	-18 185
Other financial income					
Other financial expenses	-8 870	-2 811	8 637	-29 112	-6 341
NET FINANCIAL ITEMS	-20 192	-9 030	-15 611	-54 461	-24 504
PROFIT/(LOSS) BEFORE TAX	-26 686	-14 779	-29 616	-72 716	-32 160
NET PROFIT (LOSS)	-26 686	-14 779	-29 616	-72 716	-32 160

Statement of Financial position

In USD 000'	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	294 064	286 566	284 283	293 243
Intangible assets	6	7	6	24
Prepaid construction cost	17 134	-	17 134	
Total non-current assets	311 204	286 573	301 423	293 267
Current assets:				
Accounts receivable	313	140	30	5 599
Other current assets	2 379	1 101	1 228	4 971
Cash and cash equivalents	147 752	60 499	35 173	56 692
Total current assets	150 444	61 740	36 431	67 262
TOTAL ASSETS	461 648	348 313	337 854	360 529
EQUITY AND LIABILITIES				
Equity:				
Issued capital	123 246	123 246	123 246	144 068
Share premium				22 941
Retained losses	-31 245	-1 629	-31 245	
Uncovered losses	-72 716	-32 160		
Currency translation reserve				-45 391
Total equity	19 285	89 457	92 001	121 617
Non-current liabilities:				
Shareholder loans	173 041	146 474	140 576	130 432
Other interest-bearing debt	250 982	105 364	98 257	102 212
Prepayments customers	2 831	143	632	-
Total long-term liabilities	426 854	251 981	239 465	232 644
Current liabilities:				
Accounts payable	4 622	914	955	427
Other current liabilities	10 887	5 961	5 433	5 841
Total current liabilities	15 509	6 875	6 388	6 268
Total liabilities	442 363	258 856	245 853	238 912
TOTAL EQUITY AND LIABILITIES	461 648	348 313	337 854	360 529

Cash flow statement

	Un-audited Q3-2017	Un-audited Q3-2016	Audited 2016	Un-audited 9M-2017	Un-audited 9M-2016
In USD 1,000'					
Net profit/(loss)	-26 686	-1 313	-29 616	-72 716	-18 694
Depreciation	3 807	-	15 121	11 420	7 427
Unrealized foreign exchange differences related to cash and financing activities	8 452	-	-10 030	28 214	3 277
Net interest	11 322	0	24 308	23 951	11 954
Changes in working capital	3 484	-	9 433	8 001	5 196
Net cash from operating activities	379	-1 312	9 216	-1 130	9 160
Cash flow from investing activities					
Prepayment Upgrade of Haven- Lamprell	-	-	-17 134	-	-
Prepayment from customer	1 601	-	632	2 159	-
Aquisition of fixed assets	-12 354	-	-6 136	-21 201	-2 306
Interest received	168	-	27	252	8
Net cash from investing activities	-10 585	-	-23 301	-18 790	-2 298
Cash flow from financing activities					
Repayment of debt	-	-	-	-	-
Proceeds from debt	8 345	-	-	141 846	-
Interest paid	-11 490	-	-7 218	-15 461	-3 691
Net cash from financing activities	-3 145	-	-7 218	126 385	-3 691
Net change in cash and cash equivalents	-13 351	-1 312	-20 616	106 464	3 171
Net foreign exchange differences	3 104	-	-903	6 115	1 092
Cash and cash equivalents, opening balance	157 999	62 267	56 692	35 173	56 692
Cash and cash equivalents, closing balance	147 752	60 954	35 173	147 752	60 954

Project

- On time – on budget
- No LTI's
- Healthy relationship with both client and yard
- Pre-fabrication of legs and suction caissons on schedule for sail away from Dubai late December 2017
- Haven moved from Nymo to CCB
- Estimated completion of upgrade project remain early 2Q, 2018 – in line with previous guiding.
- Expected sailaway to field June 2018





www.master-marine.no

**Head Office: Rosenkrantzgate 18, Postbox 1395, Vika, NO-0114 Oslo, Norway
Tel: +47 67 43 04 30 • Fax: +47 92 07 37 37 • mail@master-marine.no
For further information and contact details, please visit www.master-marine.no**