



1st Quarter 2014



Maracc - Marine Accurate Well ASA

Operation

A combination of severe weather conditions and challenges with the BOP & riser system caused 7 days downtime in January. However, after having solved this problem the available rig time has increased day-by-day, and has been above budget the last two months.

There is a continued high focus on working environmental related issues, as reduction of exhaust fumes drifting to the deck area, reduction of noise, and improvement of lightning. Also the final closing of remaining items related to the Acceptance of Compliance ("AoC") procedures and approval of same is given high priority. Additional capex must be expected related to upgrade of the BOP and riser system in order to improve the rig availability.

A study of potential winterization of the rig has been initiated in order to explore the viability for all year Barents Sea operations.

It is expected that Island Innovator will complete its second well during May and will thereafter be mobilized to the Barents Sea for Summer operations.

Market update

During Q1/2014 indications of a slight downturn in the rig market was observed, with expectations of lower day rates for both deep-water and mid-water rigs as a consequence.

The present contract with Lundin Norway AS is for a minimum of 12 wells, with further options for another 3 x 4 wells, and thus this may develop into a long term contract.

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Financial information

Maracc ASA reports a profit for the first quarter of 2014 of USD 2.2 million. Operating revenue for the first quarter was USD 39.8 million. EBITDA was USD 17.4 million resulting in an EBITDA margin of 44%.

Total fixed assets as of 31.03.2014 totals USD 730.0 million

Current assets totals USD 72.2 million of which bank deposits constitute USD 14.9 million.

Total long term liabilities was USD 449.3 million at 31.03.2014, a decrease compared to 31.12.2013 following installment on the senior bank loan during the quarter. Long term liabilities include senior bank loan, bond loan as well as loans from related parties.

Currents liabilities at 31.03.2014 were USD 90.3 million and includes short term portion of long term debt.

Cash flow from operating activities for the first quarter of 2014 was USD 7.6 million, whereas cash flow from investments was USD -5.8 million and primarily relates to operational preparations for the rig. Cash flow from financing was USD -16.1 million. This resulted in net cash flow of USD -14.4 million the first quarter, decreasing the cash and cash equivalents from USD 29.3 million at year-end 2013 to USD 14.9 million at March 31, 2014.

Profit & Loss Account

Amounts in USD 1 000

	Q1 2014	2013
Revenues	39 759	37 287
Operating expenses	22 336	22 383
EBITDA	17 423	14 904
Depreciation and amortization	8 404	9 151
Impairment	0	12 300
EBIT	9 020	-6 546
Net financial items	-6 824	-8 877
Net result before taxes	2 196	-15 424
Taxes	0	0
Net result after taxes	2 196	-15 424
<i>EBITDA%</i>	<i>44 %</i>	<i>40 %</i>

Balance sheet

Amounts in USD 1 000

Assets	31-03-14	31-12-13
<i>Non-current assts</i>		
Total intangible assets	0	0
Rig, machinery and equipment	729 982	733 023
Total Fixed Assets	729 982	733 023
<i>Current Assets</i>		
Total receivables	57 265	54 930
Cash and cash equivalents	14 934	29 342
Total Current Assets	72 199	84 272
Total Assets	802 182	817 295
Equity and Liabilities		
Paid in Equity	260 333	275 757
Retained earnings	2 196	-15 424
Total Equity	262 529	260 333
Bonds	136 572	136 358
Long term loans	312 751	328 412
Current Liabilities	90 329	92 192
Total Liabilities	539 653	556 962
Total Equity and Liabilities	802 182	817 295

Cash flow statement

Amounts in USD 1 000

	Q1 2014	2 013
Cash Flow from Operating activities	7 559	-26 545
Cash Flow from Investment activities	-5 836	-242 835
Cash Flow from Financing activities	-16 131	234 069
Net cash flow in the period	-14 408	-35 310
Cash and cash equiv. at the beginning of period	29 342	64 652
Cash and cash equiv. at the end of period	14 934	29 342



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