

INTERIM RESULTS:
FOURTH QUARTER - 2005



INTERNATIONAL MARITIME EXCHANGE

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International Maritime Exchange ASA

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Quarterly highlights

- Group operating revenue was NOK 25.4 million in the fourth quarter of 2005 (37.4)¹
- Profit after taxes was NOK 3.0 million (9.7), including an operating profit of NOK 0.1 million (15.2) and net financial items of NOK 1.4 million (-2.6)
- A market based valuation of the investment in NOS ASA shares increased the equity by NOK 10.7 million in the fourth quarter and by NOK 30.7 million for the whole of 2005
- The number of trades was 1 699 in the fourth quarter (1 498), the number of lots traded was 40 317 (68 235) and the nominal trade value was USD 758 million (1 236)
- The number of exchange and clearing members at the end of the quarter was 112 (75)
- Bunker fuel oil derivatives trading commenced in December

The Imarex business case

Imarex is the leading player in the global freight derivatives market ...

Imarex is uniquely positioned as the central market for global freight derivatives, a market which is set to grow to ten times its current size of around USD 20 billion per year.

Imarex delivered 50 % customer growth in 2005, and expects to deliver strong growth in 2006. In spite of a generally weaker shipping market in 2005, Imarex delivered 42 % growth in transaction volumes, compared to 2004. Imarex is the world's only electronic market for freight, with almost all cleared volumes world wide traded via the exchange. The market is served by Imarex 24 hours per day from offices in Oslo, Singapore and Houston.

Imarex made substantial investments for growth during 2004 and 2005. These investments resulted in an increased customer base, two new markets, increased organisational capacity, improved infrastructure and higher distribution. Equity was up 30 % compared to 2004.

Imarex has seen its market share grow in all sectors, and is staying ahead of the competition. By investing in infrastructure and superior customer service, Imarex freight derivatives are being embedded in the core business of the biggest customers. Increased participation from financial players is proving that the Imarex business model is a winner in the fight for supremacy in the maritime derivatives market.

... and will participate in the development of European commodity markets

As the leading player in freight derivatives, Imarex recognises that freight is key part of almost every commodity value chain.

A clear and growing trend towards electronic links between different commodity markets, means that customers will trade multiple commodities simultaneously, and look for competitive trading synergies.

Imarex believes in an integration and organisation of European commodity markets, where customers will benefit from electronic one-stop-shopping.

Imarex has the customer base, infrastructure and organisation to participate in this development. The Imarex business model and ability to execute, gives Imarex the strength to deliver multiple commodity markets on one electronic screen.

In short, Imarex has strength and ability to deliver major markets to its customers and will use its current strength to become a key player in the further development of the European commodities market.

¹ Last year's comparable figures in brackets.

Group key figures

IFRS, figures in NOK 1,000	Q4 05	Q4 04	YTD 05	FY 2004
Operating revenue	25 430	37 447	104 482	124 935
Operating result	106	15 244	7 988	64 952
<i>Operating margin</i>	<i>0.4 %</i>	<i>40,7 %</i>	<i>7,6 %</i>	<i>52.0 %</i>
Ordinary result before tax	1 470	12 686	11 238	62 247
Result for the period	2 975	9 731	7 488	58 165
<i>Profit margin</i>	<i>11,7 %</i>	<i>26,0 %</i>	<i>7,2 %</i>	<i>46.6 %</i>
Earnings per share				
Basic	0,42	1,51	1,07	11.78
Diluted	0,41	1,51	1,05	11.18
Total assets	186 745	156 771	186 745	156 771
Total equity	172 493	133 254	172 493	133 254
<i>Equity ratio</i>	<i>92,4 %</i>	<i>85,0 %</i>	<i>92,4 %</i>	<i>85,0 %</i>

Trading Statistics

	Q4 05	Q4 04	YTD 05	FY 2004
Tankers				
# Trades	1 430	1 405	5 663	3 995
Lots (1 000 tonnes)	27 965	55 640	135 993	158 923
Value (\$m)	504	900	2 217	2 381
Dry Bulk				
# Trades	246	93	570	482
Lots (days)	12 092	12 595	52 475	81 326
Value (\$m)	197	336	1 067	1 897
Bunker Fuel Oil				
# Trades	23		23	
Lots (1 000 tonnes)	260		260	
Value (\$m)	57		57	
Total				
# Trades	1 699	1 498	6 256	4 477
Lots (k/tons + days)	40 317	68 235	188 728	240 249
Value (\$m)	758	1 236	3 341	4 278

Tanker trading

The underlying tanker market weakened in 2005 compared to the same period in 2004 – which is considered one of the strongest on record. Despite substantially lower market expectations for the fourth quarter of 2005, the number of transactions grew 2 % at Imarex, compared to the same period last year. The volume and value of contracts traded was down. The positive trend experienced in the second half of 2005, continues into 2006 with new trading records set during January. In the fourth quarter of 2005, a total of 27 965 tanker derivatives contracts were traded in 1 430 transactions. The average tanker transaction value was down 42 % to USD 364 000 compared to USD 630 000 in the same period last year.

Dry bulk trading

The dry bulk market continued the positive trend seen through 2005. Imarex promoted trading in smaller contract sizes to boost liquidity in dry bulk. The average transaction size in Q4 2005 was USD 850 000 down 77 % from USD 3 678 000 in the same period in 2004. As a result, transaction volumes grew 164 % compared to the same period in 2004. A total of 12 092 dry bulk contracts were traded at the exchange with a nominal trade value of USD 197 million.

Bunker fuel oil trading

Bunker fuel oil derivatives were listed for trading on Imarex in December. 260 000 tonnes were traded during the first 15 trading days and the number of transactions was 23. In bunker fuel oil, Imarex earns trade commission based on volumes – not nominal trade values, as in freight.

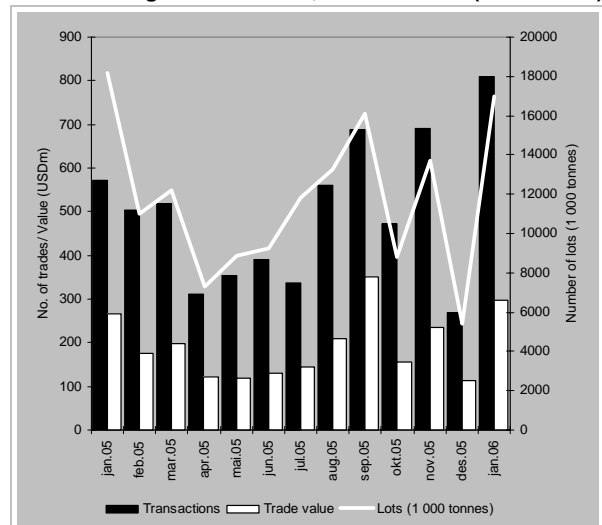
Exchange and clearing members

At year end Imarex had 112 direct trading and clearing members. This is an increase of 49 % compared to the same period in 2004. In January the positive trend has continued with three new members. Based on the backlog of clients, Imarex expects the positive development to continue through 2006.

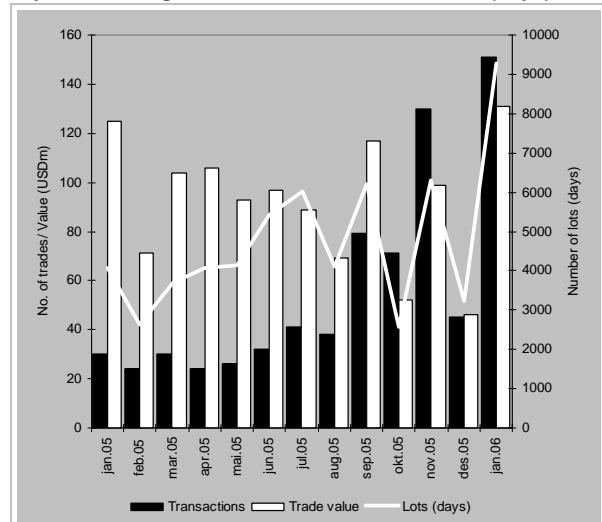
Outlook

Imarex has confirmed its no. 1 position in the maritime freight derivatives market through the fourth quarter. Going forward focus will be on increasing liquidity, maintaining the leading position. Imarex will introduce new services as well as continue to attract new members to the market. Imarex expects that the higher activity levels experienced in January 2006 will continue and maintains a positive market outlook.

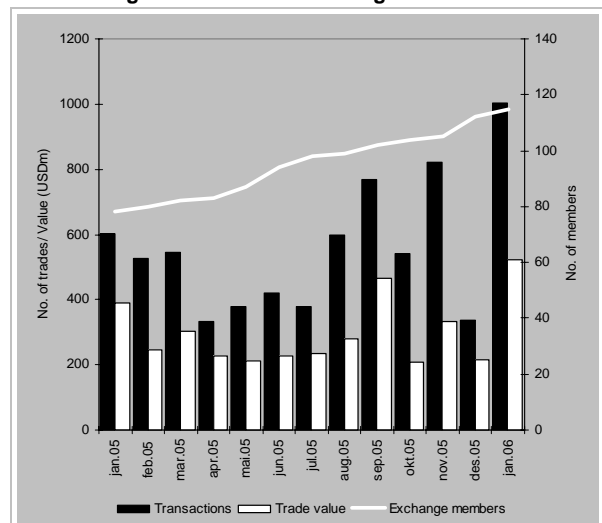
Tanker trading – No. of trades, value and lots ('000 tonnes)



Dry bulk trading - No. of trades, value and lots (days)



Total trading and number of exchange members



Note: Includes bunker fuel oil trading from December 2005

Group revenue and profit

Group operating revenue for the fourth quarter of 2005 was NOK 25.4 million, down from 37.4 million in the same period last year. The number of tanker trades remained unchanged, but the traded volume was down by 50 % and the traded value by 44 %. The number of dry bulk trades was up by 165 % while the volume remained unchanged. The dry bulk traded value, however, was down by 41 %. Bunker fuel oil derivatives trading commenced on 5 December 2005 and 23 trades were done in that month with a total value of USD 57 million. Imarex continues to attract new members to the marketplace for trading and clearing and had 112 trading and clearing members at the end of 2005.

Clearing costs were reduced from NOK 10.7 million to 8.9 million, corresponding to 28.6 % and 34.9 %, respectively. The increased percentage is due to a fixed monthly clearing cost element.

Payroll expense was up from NOK 7.6 million to 8.7 million. The increase was due to the number of employees going up from 22 to 34 from the end of 2004 to the end of 2005. Payroll expenses also include a bonus provision and the cost of employee options.

Other operating expenses increased from NOK 3.5 million to 6.9 million. The last quarter's figures include NOK 0.7 million of costs related to the listing on the Oslo Stock Exchange, 0.5 million related to the establishment of a U.S. subsidiary, and 0.2 million related to the relocation of offices in Oslo. None of these non recurring items were

present in 2004. Neither was the NOK 0.6 million operating expenses in Imarex Asia Pte. Ltd.

Net financial items for the quarter are up from –NOK 2.6 million to +1.4 million. Net interest revenue for 2005 was NOK 2 million, up from 0.3 million in 2004. The group's operating revenue is predominantly USD denominated and is booked at the average exchange rate of each accounting month. Payments are received after each month and the funds are converted to NOK after receipt. Therefore, the falling USD exchange rate towards the end of 2004 gave a loss, while the modest increase in the value of the dollar towards the end of 2005 gave a positive contribution to net financials.

In the third quarter financial report the unrealised profit from the NOS ASA shareholding was reported in the net financial items of the profit and loss account. Following a discussion with The Financial Supervisory Authority of Norway, the company has now decided to book this unrealised profit directly in the balance sheet. This leads to an increase in the equity by NOK 10.7 million in the fourth quarter of 2005.

Tax on ordinary result was down from NOK 3.0 million to –1.5 million and the result for the period down from NOK 9.7 million to 3.0 million.

Business Areas

The Imarex group is engaged in two different lines of business, maritime freight derivatives and maritime communication software.

Maritime Freight Derivatives

International Maritime Exchange ASA is the world's only regulated marketplace for freight derivatives. Imarex Asia Pte. Ltd. is the company's wholly owned subsidiary in Singapore and was established in 2004. Imarex, Inc. is its wholly owned subsidiary in the U.S.A. and was incorporated in 2005.

Maritime freight derivatives had operating revenue of NOK 25.4 million in the last quarter of 2005, down from 37.4 million. Operating profit was NOK 1.0 million, down from 15.2.

The Singapore subsidiary reported operating revenues of NOK 0.4 million in the last quarter and 6.9 million for 2005. The reason

for the low fourth quarter revenues is a correction of the split between Singapore and Norway that was made at the end of the year. The fourth quarter operating result was a loss of NOK 0.4 million.

The U.S. subsidiary did not have any revenue in 2005, and made a loss of NOK 0.5 million due to start up costs in the fourth quarter.

Maritime Communication Software

The group's maritime communication software business is done in the wholly owned subsidiary Laycan Solutions AS, which has activities only in Norway. Laycan Solutions AS was acquired on 28 and 29 December 2004. The company has not had any revenues in 2005. The last quarter's operating result was a loss of NOK 0.9 million.

Group profit and loss account

IFRS, figures in NOK 1,000	Q4 05	Q4 04	YTD 05	FY 2004
Operating revenue	25 430	37 447	104 482	124 935
Clearing costs	8 882	10 701	37 578	33 846
Payroll expense	8 728	7 632	34 220	25 034
Depreciation	770	321	2 497	1 309
Revaluation of negative goodwill*				(10 194)
Other operating expenses	6 944	3 549	22 199	9 988
Operating result	106	15 244	7 988	64 952
Net financial items	1 364	(2 558)	3 250	(2 705)
Ordinary result before tax	1 470	12 686	11 238	62 247
Tax on ordinary result	(1 505)	2 955	3 750	4 082
Result for the period	2 975	9 731	7 488	58 165

Group balance sheet

IFRS, figures in NOK 1,000	31.12.05	31.12.04
Assets		
Intangible fixed assets	4 981	9 330
Tangible fixed assets	4 500	2 752
Financial fixed assets	65 744	348
Total non-current assets	75 225	12 430
Accounts receivable	16 085	22 548
Liquid funds	95 435	121 793
Total current assets	111 520	144 341
Total assets	186 745	156 771
Equity and liabilities		
Total paid-in capital	109 766	75 089
Other equity	62 727	58 165
Total equity	172 493	133 254
Company taxes	-	1 120
Current liabilities	14 252	22 397
Total current liabilities	14 252	23 517
Total equity and liabilities	186 745	156 771

* The carrying amount of negative goodwill is not recognised. Negative goodwill does not satisfy the definition of liabilities in accordance with IFRS 3.

Business Areas

Maritime Freight Derivatives

IFRS, figures in NOK 1,000	Q4 05	Q4 04	YTD 05	FY 2004
Operating revenue	25 430	37 447	104 482	124 935
Operating result	982	15 244	11 610	64 952
Operating revenue per country				
Norway	25 077	37 447	97 568	124 935
Singapore	353	0	6 914	0
U.S.A.	0	0	0	0
Sum	25 430	37 447	104 482	124 935
Operating result per country				
Norway	1 822	15 244	11 909	64 952
Singapore	-367		174	0
U.S.A.	-473	0	-473	0
Sum	982	15 244	11 610	64 952
Total assets per country				
Norway	164 374	147 331	164 374	147 331
Singapore	9 988	484	9 988	484
U.S.A.	1 017	0	1 017	0
Sum	175 379	147 815	175 379	147 815
Total current liabilities per country				
Norway	31 114	31 883	31 114	31 883
Singapore	9 660	302	9 660	302
U.S.A.	1 181	0	1 181	0
Sum	41 955	32 185	41 955	32 185

Maritime Communication Software (Laycan Solutions AS)

IFRS, figures in NOK 1,000	Q4 05	Q4 04	YTD 05	FY 2004
Operating revenue	0		0	
Operating result	-876		-3 622	
Total assets	5 055		5 055	
Total current liabilities	5 805		5 805	

Group cash flow statement

IFRS, figures in NOK 1,000	Q4 05	Q4 04	YTD 05	FY 2004
Cash flow from operating activities				
Ordinary result before taxes	1 470	22 860	8 563	62 227
Depreciation	770	321	2 497	1 309
Revaluation of negative goodwill		-10 174		-10 174
Taxes paid	-1 120		-1 120	
Cost of employee options	237		5 940	
Difference between pension premiums paid and pension expense	88		696	
Change in accounts receivable	-2 082	15 144	6 463	-17 926
Change in accounts payable	5 037	-693	-8 145	2 147
Change in other short-term operating assets and liabilities	3 019	8 706	2 720	18 298
Net cash flow from operating activities (A)	7 419	36 164	17 614	55 881
Cash flow from investing activities				
Investment in subsidiaries		-555		-555
Purchase of tangible fixed assets	-1 614	-4 698	-3 645	-5 995
Purchase of shares, net of purchased cash and cash equivalents			-33 367	
Net cash flow from investing activities (B)	-1 614	-5 253	-37 012	-6 550
Cash flow from financing activities				
Share issue proceeds		62 306	32 547	69 007
Change in short-term interest bearing debt				
Change in long-term interest bearing debt				
Dividends paid	-24 507		-39 507	
Net cash flow from financing activities (C)	-24 507	62 306	-6 960	69 007
Net change in cash and cash equivalents for the period (A+B+C)	-18 702	93 217	-26 358	118 338
Cash and cash equivalents at the beginning of the period	114 137	28 576	121 793	3 455
Cash and cash equivalents at the end of the period	95 435	121 793	95 435	121 793

Statement of changes in equity

IFRS, figures in NOK 1,000	31.12.05	31.12.04
Equity at the beginning of the period	133 254	6 082
Dividends paid	(39 487)	-
Changes in value on shares classified as held for sale	30 738	
Change in paid in equity	34 677	69 007
Equity increase related to employee options	5 940	
Exchange rate change	(117)	
Profit for the period	7 488	58 165
Closing equity	172 493	133 254

Reconciliations - from N-GAAP to IFRS for comparable period

Equity

NOK 1 000		31.12.04
Equity N-GAAP		108 060
IFRS impacts		
- Revaluation of negative goodwill, IFRS 3		10 194
- Dividend, IAS 37		15 000
Equity IFRS		133 254

Profit and loss

NOK 1 000	Q4 04	YTD 04
Result N-GAAP	9 731	47 971
IFRS impacts		
- Revaluation of negative goodwill, IFRS 3	10 194	10 194
Result IFRS	19 925	58 165

Selected Disclosure Notes

1. Basis for preparation – accounting principles applied in this report

This report has been prepared in accordance with International Financial Reporting standards (IFRS) and the standard for interim reporting (IAS 34).

For a detailed description of the effects of the transition to IFRS please refer to the Groups "Transition to IFRS" document at page 9. The Transition document includes a description of the key accounting principles applied during the period.

2. Employee benefits

Share-based payment transactions

Employees of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

For the calculation of costs regarding options to employees, Imarex has used an estimated intrinsic value in accordance with IFRS 2.24 for options granted before June 30, 2005. This based on an evaluation of the quality of the available data on volatility, quotes of the share price (company value), that concluded that the quality is so low that it can not be used for calculating a fair value of the options. Management has also tried to find similar companies for comparable information about volatility etc. but no such companies exists to management's knowledge. For options granted after June 30, 2005 Imarex has calculated a fair value based on the Black-Scholes-Merton formula. From this date data is available as the company was listed on the Oslo Stock Exchange in April 2005.

As of 31 December 2005 the company has a total of 148 750 share options outstanding as part of the 2004 employee share options programme with expiry in June 2006. The strike price is NOK 50.00 per share less dividends paid in 2005 of NOK 2.17 and NOK 3.50 per share, i.e., NOK 44.33 per share.

The Board of Directors allocated 52,500 options under the 2004 employee options programme on 1 November 2005. On this date the share price was NOK 77. Using a 60 day historic volatility of 31 % and an assumed risk free interest rate of 2.5 % the Black-Scholes-Merton formula gives a value of NOK 33.46 per option. For the 52,500 options the total value is NOK 1,756,650. A 14.1 % employer's tax accrues on top of this, giving a grand total of NOK 2,004,338. The value applies to the period from 1 November 2005 to 30 June 2006, i.e., 8 months. A cost of NOK 501,084 has therefore been charged to the fourth quarter of 2005.

The accumulated charge for the outstanding options allocated on 26 January 2005 went down from NOK 1 939 417 on 30 September 2005 to NOK 1 758 227 at the end of 2005. The reduction was due to the share price going down from NOK 82.50 to NOK 68.50, the marginal employer's tax rate going down from

26.6 % to 14.1 % and one employee resigning from his position, which outweighed the time accrual effect and reduced strike price due to dividend payments giving a negative cost of NOK 181,191 for the fourth quarter.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of awards that will ultimately vest. This is based on the opinion of the directors of the Group at that date, using the best available estimate of the number of equity instruments that will ultimately vest.

Employee incentive programme

The Board of Directors has decided to allocate 21.6 % of the profit before taxes for 2005 for International Maritime Exchange ASA and Imarex Asia Pte. Ltd. to a joint bonus pool. This bonus will be allocated based on parameters regarding the performance of the companies, the team in question and each individual involved. The bonus allocation includes social costs and other related allowances. The applicable profit before taxes for each company excludes any direct or indirect effects from group consolidation, the employee options programme, and investments in shares and new business areas.

Pensions

The company has established a defined contribution plan for all their employees in 2005. The plan is given with effect from 1 January 2005 and the cost for 2005 is NOK 895 000 including employer's tax, whereof NOK 199 000 was paid in 2005. According to IAS 19, the entity's obligation for each period is determined by the amounts to be contributed for that period and there are no further obligations for the company.

3. Shares in NOS

Imarex has chosen to account for the shares in NOS in accordance with the fair value option in IAS 39 with changes in fair value over profit and loss. However, Kredittilsynet has in a letter to the company expressed its view that the shares does not qualify for this classification in accordance with IAS 39.9 b) (the fair value option). The company has thus reclassified the investment to an available for sale financial asset with changes in fair value recognised directly to a separate component for equity.

4. Events after the balance sheet date (Q4)

Acquisition of Starsupply (Oslo) AS

On 3 January 2006 International Maritime Exchange ASA acquired all the shares of Starsupply (Oslo) AS, a fuel oil cargo broker, and changed the name of the company to Imarex Oil Services AS.

Acquisition of additional shares in NOS ASA

International Maritime Exchange ASA now owns 4 794 978 shares in NOS ASA. This corresponds to 20 % of the share capital in NOS ASA.

Permission to start operations in Imarex, Inc.

On 23 January 2006 The Norwegian Ministry of Finance approved the commencement of operations in Imarex, Inc.

5. Employees

The number of employees in the group increased from 21.5 at the end of 2004 to 33.6 at the end of 2005.

International Maritime Exchange

Transition to International Financial Reporting Standards (IFRS)

Contents

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- **Notes to the reconciliations**

Section 3 – Change in the group's accounting principles from the transition to IFRS

General information

In 2001 the EU Commission approved a resolution that all listed companies within the European Union must apply International Financial Reporting Standards (IFRS) in their consolidated accounts by January 1, 2005. Under the European Economic Area (EEA) agreement, this change will also apply to Norwegian companies listed on the Oslo Stock Exchange.

In Line with International Financial Reporting convergence, Imarex will commence reporting under IFRS from January 1, 2005. Imarex has prepared the IFRS opening balance sheet at the date of transition to IFRS, January 1, 2004. Based on the fact that Imarex' first consolidated accounts are prepared based on the purchase of Laycan Solutions AS in Q4 2004, there are no differences in the accounts from January 1, 2004 until Q4 2004. The 2005 interim reports will be prepared in accordance with IFRS and include comparative information for 2004. IAS 32 and IAS 39 have been implemented from January 1, 2005.

The intention of this transition report is to give the reader a guide to how the transition from N-GAAP to IFRS will impact Imarex' consolidated financial statements. The financial information presented is prepared on the basis of the IFRS standards, interpretations and applications effective and published at January 1, 2005. The IFRS standards require that a company use the standards and interpretations as effective at the comparative period and opening IFRS balance sheet.

The Q1 2005 financial figures have been prepared based on the company's interpretation of current International Financial Reporting Standards (IFRS). Financial figures have been restated accordingly. Due to possible changes in existing standards, new understanding and interpretation of existing standards, and potential new standards, financial figures may change during 2005.

Neither the 2005 nor the 2004 restated figures (to IFRS) have been audited, and these must therefore be treated as preliminary figures.

Section 1 gives a summary of the major impacts on Group numbers from the transition to IFRS, including quarterly equity reconciliations and key figures under IFRS

Section 2 provides the reconciliation tables as required by IFRS 1, including notes disclosures describing each material difference and financial statements in compliance with IFRS.

Section 3 provides a description of accounting principles as applied in 2005 based on the structure presented in the annual accounts. Where there are changes in principles under IFRS, the IFRS principles are described below the principles in question.

Section 1 Summary

The areas where most significant differences are identified between IFRS and N-GAAP are listed below:

- Financial instruments are recognised at fair value in the Group's balance sheet as from January 1, 2005. The effect on the profit and loss will depend on whether the instrument qualifies for hedge accounting or not.
- Negative goodwill from business combinations is booked as income through the profit and loss account.

Proposed dividends are not recognised as a liability under IFRS until approved at the general shareholder meeting.

Section 2 Reconciliations

The quantitative adjustments as a result of applying IFRS for the first time are presented in this section.

2.1 Profit and loss account

IFRS, figures in NOK 1,000		FY 2004 N-GAAP	Effect of transition to IFRS	FY 2004 IFRS
Notes				
	Operating revenue	124 935		124 935
	Clearing costs	33 846		33 846
	Payroll expense	25 034		25 034
	Depreciation	1 309		1 309
1	Revaluation of negative goodwill		(10 194)	(10 194)
	Other operating expenses	9 988		9 988
	Operating result	54 758		64 952
	Net financial items	(2 705)		(2 705)
	Ordinary result before tax	52 053		62 247
	Tax on ordinary result	4 082		4 082
	Result for the year	47 971		58 165

Notes to the reconciliation of profit and loss for 2004

1. Revaluation of negative goodwill according to IFRS 3

2.2 Balance sheet

IFRS, figures in NOK 1,000		FY 2004 N-GAAP	Effect of transition to IFRS	FY 2004 IFRS
Notes				
Assets				
1	Intangible fixed assets	-865	10 195	9 330
	Tangible fixed assets	2 752		2 752
	Financial fixed assets	348		348
	Total non-current assets	2 235		12 430
	Accounts receivable	22 548		22 548
	Liquid funds	121 793		121 793
	Total current assets	144 341		144 341
	Total assets	146 576		156 771
Equity and liabilities				
	Total paid-in capital	75 089		75 089
2	Other equity	32 971	25 194	58 165
	Total equity	108 060		133 254
	Company taxes	1 120		1 120
3	Current liabilities	37 396	-15 000	22 397
	Total current liabilities	38 516		23 517
	Total equity and liabilities	146 576		156 771

Notes to the reconciliation of the balance sheet FY 2004

1. Negative goodwill and deferred tax
- 2/3. Retained earnings have in accordance with current IFRS, been restated in the quarterly report. Retained earnings of NOK 15 000 000 have been restated by reducing current liabilities, and increasing the company's share capital.

The company's negative goodwill has been removed from the IFRS reporting, according to current conventions.

The negative goodwill, which amounts to NOK 3 864 000, has been removed from Tangible Assets and is accounted for against the company's share capital according to IFRS.

2.3 Cash flow statement

Notes		FY 2004 N-GAAP	Effect of transition to IFRS	FY 2004 IFRS
	Cash flow from operating activities			
1	Ordinary result before taxes	52 053	10 174	62 227
	Depreciation	1 309		1 309
1	Revaluation of negative goodwill		-10 174	-10 174
	Write downs/up financial assets			
	Taxes paid			
	Cost of employee options			
	Change in Accounts receivable	-17 926		-17 926
	Change in accounts payable	2 147		2 147
	Change in other short-term operating assets and liabilities	18 298		18 298
	Net cash flow from operating activities (A)	55 881		55 881
	Cash flow from investing activities			
	Investment in subsidiaries	-555		-555
	Purchase of tangible fixed assets	-5 995		-5 995
	Proceeds received from sale of tangible fixed assets			
	Net cash flow from investing activities (B)	-6 550		-6 550
	Cash flow from financing activities			
	Share issue proceeds	69 007		69 007
	Change in short-term interest bearing debt			
	Change in long-term interest bearing debt			
	Net cash flow from financing activities (C)	69 007		69 007
	Net change in cash and cash equivalents for the period (A+B+C)	118 338		118 338
	Cash and cash equivalents at the beginning of the period	3 455		3 455
	Cash and cash equivalents at the end of the period	121 793		121 793

Notes to the cash flow at FY 2004

- 1 Revaluation of negative goodwill and deferred tax. The company's negative goodwill has been removed from the IFRS reporting, according to current conventions.

Section 3 Change in the group's accounting principles from the transition to IFRS

This section provides a description of accounting principles as stated the annual accounts 2004 under N-GAAP. As from 1 January 2005, the accounts are presented in accordance with IFRS as effective at the balance sheet date of reported accounts.

Accounting principles

This report has been prepared in accordance with International Financial Reporting Standards (IFRS) and the standard for interim reporting (IAS34).

Consolidation principles

The consolidated group accounts include, in addition to International Maritime Exchange ASA, the following subsidiaries:

Laycan Solutions AS (Oslo)	(100%)
Imarex Asia Pte. Ltd. (Singapore)	(100%)
Imarex, Inc.	(100%)

The consolidated accounts have been prepared according to homogeneous principles, where subsidiaries follow the same accounting principles as the mother company.

Sales revenues and operating expenses

Revenue from commissions is accounted for at the time of a contractual agreement for future freight being entered into between two parties.

Classification and evaluation of balance sheet items

Current assets and short term debts include items which fall due within one year, as well as items related to invoices not yet due. Other items have been classified as fixed assets and long term debts.

Current assets are valued at the lower of acquisition cost or realisable value. Short term debt is reported at par value in the balance as per the time of acquisition.

Financial asset are measured according to IAS 39, at their fair value, without any deduction for transaction costs it may incur on sale or other disposal, except for investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured.

Imarex has chosen to account for the shares in NOS in accordance with the fair value option in IAS 39 with changes in fair value over profit and loss. However, Kredittilsynet has in a letter to the company expressed its view that the shares does not qualify for this classification in accordance with IAS 39.9 b) (the fair value option). The company has thus reclassified the investment to an available for sale financial asset with changes in fair value recognized directly to a separate component for equity.

Fixed assets are valued at acquisition cost, but are depreciated to realisable value, when gradual loss of value is not considered to be temporary. Long term debt is reported at par value in the balance as per the time of acquisition.

Shares in subsidiary companies

Shares in newly established and newly acquired subsidiaries are valued according to the cost method in the company's accounts.

Customer invoices

Commission invoices are accounted for in full, with no provisions for bad debt.

Foreign currency

Foreign currency reserves are converted to NOK at the exchange rate prevailing on the balance sheet date.

Fixed assets

Fixed assets are listed in the balance sheet and are depreciated according to the 'straight line principle' over the expected life of each asset. Direct maintenance costs related to fixed assets are accounted for on a continuous basis, whilst investments and improvements of fixed assets are added to the cost price of the asset, and capitalised in line with the asset.

Research and development

Costs associated with research and development (R&D) are reported in the balance sheet, providing a future commercial value can be derived from the development of an identifiable intangible asset. If this is not the case, R&D costs are accounted for on a continuous basis. R&D costs accounted for in the balance sheet of the Group are in their entirety related to capitalised R&D in subsidiary Laycan Solutions AS, acquired on

December 28, 2004. R&D costs accounted for in the balance sheet are depreciated on a straight line basis through the life cycle of the asset.

Pensions

The Company has established a defined contribution plan for all their employees in Q3 2005. The plan is given with effect from January 1, 2005. The accrued pension cost for the period from January 1, 2005 to June 30, 2005 was charged to the profit and loss account in Q3. According to IAS 19, the entity's obligation for each period is determined by the amounts to be contributed for that period and there are no further obligations for the company.

Taxation

Tax costs in the accounts include both taxes falling due within the period, changes in deferred taxation and taxation of inter-company contributions to consolidated accounts. Deferred taxation is calculated at 28 %, based on the temporary differences which exist between accountable and taxable values, as well as taxable losses carried forward at the end of the reporting period. Tax-increasing or tax-reducing temporary differences which are reversed, or can be reversed in the same period, have been netted. Net deferred taxation is not reported in the balance sheet.

Use of estimates

In accordance with prudent accounting practices in preparation of the accounts, the company's management utilises prudent estimates and assumptions which affect the accounts and the valuation of assets and liabilities.

Share option scheme / share based payments

Under IFRS, fair value of share options at the allocation date are charged against profit and loss over the vesting period of the options.

For the calculation of costs regarding options to employees, Imarex has used an estimated intrinsic value for options granted before June 30, 2005. This is based on an evaluation of the quality of the available data on volatility, quotes of the share price (company value), that concluded that the quality is so low that it can not be used for calculating a fair value of the options. Management has also tried to find similar companies for comparable information about volatility etc. but no such companies exists to management's knowledge. For options granted after June 30, 2005 Imarex has calculated a fair value based on the Black-Scholes-Merton formula.