ODIM ASA

fourth quarter 2005

Offshore Service Vessels

SEISMIC | SUBSEA | SUPPLY
OCEANOGRAPHIC | SERVICE

Marine

DEFENCE | SERVICE

Mooring & Deep Water Installation

DEEP WATER | SERVICE

ODIM ASA, fourth quarter 2005

This report is in according to IAS 34.

Ready for the next growth phase

Hareid, 28 February 2006: **The growth seen in the first nine months of 2005 became even stronger in the final quarter of the year. Revenues of NOK 127.4 million, compared with NOK 52 million in the corresponding period of 2004, reflect a high level of activity – primarily in the offshore service vessels business area. ODIM reports an operating result (EBITDA) of NOK 10.6 million (2004: NOK 4.5 million), corresponding to an EBITDA margin of 8.3 per cent (8.6 per cent).**

Order intake during the quarter was NOK 197 million, and the order backlog at 31 December amounted to NOK 357 million (excluding Hydrakraft).

ODIM is confident that business activity will remain strong in 2006. The order book is strong, and some NOK 600 million was ready to be booked during the year at 28 February 2006. Following the breakthrough contract with Subsea 7 in February 2006, the company expects increased activity and revenues from its third business area, mooring and deepwater installation.

Highlights in Q4

- Strong demand due to robust offshore markets
- Strong and profitable growth during quarter
- A number of contracts contributed to the order backlog
- Strong balance sheet following the listing on the Oslo Stock Exchange

Key financial figures

NOK million (IFRS)	Q4 05	Q3 05	Q4 04	2005	2004
Revenues	127.4	78.1	52.0	347.1	162.1
EBITDA	10.6	8.4	4.5	35.7	10.6
EBITDA margin (%)	8.3	10.7	8.6	10.3	6.5
EBIT	9.8	7.8	3.9	33.3	6.6
EBIT margin (%)	7.7	10.0	7.5	9.6	4.1
Profit before taxes	7.3	7.2	3.4	29.4	5.2

Revenues of NOK 127.4 million in the fourth quarter reflect a substantially higher level of activity than in the corresponding period of 2004, when revenues totalled NOK 52 million. ODIM had revenues of NOK 347.1 million for the full year, an increase of 114 per cent from NOK 162.1 million in 2004.

ODIM achieved an EBITDA of NOK 10.6 million in the fourth quarter compared with NOK 4.5 million in the same period of the year before. The EBITDA margin for the fourth quarter was 8.3 per cent as against 8.6 per cent in the corresponding quarter in 2004.

Given heavy procurement volumes in the quarter with lower margins the Q4 results reflect very robust market conditions.

EBITDA for the full year amounted to NOK 35.7 million, an improvement of 237 per cent from NOK 10.6 million in 2004. These figures corresponded to an EBITDA margin of 10.3 and 6.5 per cent respectively.

EBIT for Q4 was NOK 9.8 million, net financial items was negative NOK 2.5 and profit before taxes was NOK 7.3 million, compared to NOK 3.9 million, NOK 0.5 and NOK 3.4 million in the corresponding quarter in 2004. Net profit for Q4 2005 was NOK 6.1 million, compared to NOK 2.4 million.

Investment in the fourth quarter came to NOK 4.9 million. The net proceeds from the share issue was NOK 46 million. Cash in hand at 31 December totalled NOK 50.8 million.

ODIM is in a solid financial position. The working capital at 31 December was NOK 100.2 million, compared with NOK 14.7 million at the same date in 2004. Net interest-bearing receivables totalled NOK 8.3 million at 31 December, compared with a net interest-bearing debt of NOK 30.1 million at the end of 2004. The equity ratio at 31 December was 46.4 per cent.

Outlook:
ODIM will further strengthen its strategic position in its current market segments during 2006.

In the offshore service vessels business area, the Hydrakraft acquisition will considerably strengthen ODIM's existing product range, especially in the supply segment and also in the seismic survey segment.

ODIM will enter the first stage of commercialising its CTCU technology in 2006. This represents a completely new solution for the mooring and deepwater installation business area.

In the marine business area, the company will seek to strengthen even further its position as a supplier of larger defence contracts. It will also explore additional opportunities for this business area.

Events after 31 December:
The Norwegian Competition Authority notified ODIM on 20 January 2006 that it did not intend to intervene in the company's acquisition of Hydrakraft. That removed all obstacles to a full integration of Hydrakraft in ODIM, giving the company a far stronger position in the supply market.

Combining ODIM's specialised automated solutions for supply ships with Hydrakraft's solutions means that an even more complete equipment package can be developed for customers. The merged company has also become stronger in the seismic survey sector.

ODIM signed a letter of intent on 17 February 2006 with subsea contractor Subsea 7 concerning the delivery of an advanced winch system for fibre rope, based on the unique CTCU technology. This assignment represents a breakthrough both technologically and commercially for ODIM in the very expansive deepwater market.

The Subsea 7 contract represents a first stage in the commercialisation of a completely new technology designated ODIM CTCU, which has been patented by the company. With this solution, ODIM's customers can utilise fibre rope as a lifting line for subsea installation of cables and other equipment in deep water. Fibre rope offers substantial benefits because of its significantly lower weight, and the CTCU technology thereby helps to cut the cost of deepwater projects.

ODIM was awarded a breakthrough contract on 20 February 2006 covering an automated hose-handling system for a supply ship. The company believes that its automated bulkhose connection system (ABCS) will set a new standard for safe deck operations, and the technology represents a substantial potential.

In February ODIM entered into an agreement to acquire a further 33.3 per cent of OHI AS, giving it full control with an 83.2 per cent interest. ODIM's share in OHI will be reclassified from a short term to a long term investment. As a consequence ODIM has included OHI equity in the balance sheet in accordance with the equity method. The reclassification increases equity by approximately NOK 26 million.

Operations

ODIM is divided into three business areas, covering offshore service vessels, marine, and mooring and deepwater installation. The company has been delivering customer solutions in the first two business areas for several years, while working for some time to achieve a breakthrough in the third area. This was achieved in both technological and commercial terms during February 2006.

Offshore service vessels

The market segments covered by offshore service vessels primarily involve seismic surveying, supply and subsea. ODIM also sells automated handling solutions for scientific and research vessels. The offshore service vessels business area had revenues of NOK 114.5 million in the fourth quarter, compared with NOK 35.2 million in the same period of the year before.

The area had an EBITDA of NOK 11.8 million for the period and an EBITDA margin of 10.3 per cent, compared with NOK 0.1 million and 0.3 per cent respectively in the fourth quarter of 2004.

For the full year, the EBITDA came to NOK 28.5 million compared with NOK 0.6 million in 2004, and the EBITDA margin to 9.8 per cent as against 0.6 per cent.

ODIM ranks as the world's leading supplier of cable-handling solutions to seismic survey companies, and confirmed this position by securing several contracts in this area during the fourth quarter.

Rieber Shipping confirmed a contract in October for the delivery of complete seismic equipment worth NOK 60 million. ODIM secured a NOK 40 million contract from China's BGP exploration company in November. The company also won a couple of smaller seismic contracts worth NOK 15 million.

In the subsea segment, ODIM secured an additional NOK 30 million contract with Geoconsult to deliver automated handling systems for remotely-operated vehicles (ROVs).

The order backlog in offshore service vessels at 31 December was NOK 265 million.

Offshore service vessels	Quarterly figures		Full year figures	
NOK million	**Q4 2004**	**Q4 2005**	**2004**	**2005**
Revenues	35.2	114.5	104.0	290.2
EBITDA	0.1	11.8	0.6	28.5
EBITDA margin (%)	0.3	10.3	0.6	9.8
EBIT	(0.6)	11.1	(1.6)	26.6

Marine
ODIM's operations in the defence industry are run by Canadian subsidiary ODIM Spectrum. This company has developed a cable-handling technology for towing and handling sensor systems.

The business area had revenues of NOK 12.9 million in the fourth quarter, compared with NOK 16.6 million in the same period of 2004.

Starting up a substantial project in the latter part of the fourth quarter will have a positive effect on revenue development in the marine business area during the first quarter of 2006.

The business area had an EBITDA of NOK 2.1 million and an EBITDA margin of 16.3 per cent in the fourth quarter. That compares with NOK 4 million and 23.8 per cent respectively in the same period of 2004.

For the full year, the business area's EBITDA was NOK 12.1 million compared with NOK 10.3 million in 2004. The EBITDA margin was 21.6 per cent as against 17.8 per cent the year before.

ODIM was awarded several new defence sub-contracts in Canada during November, with a total contract value of about NOK 80 million.

The order backlog for the marine business area at 31 December was NOK 92 million.

Marine	Quarterly figures		Full year figures	
NOK million	**Q4 2004**	**Q4 2005**	**2004**	**2005**
Revenues	16.6	12.9	57.7	55.8
EBITDA	4.0	2.1	10.3	12.1
EBITDA margin (%)	23.8	16.3	17.8	21.6
EBIT	3.9	2.0	9.8	11.5

Mooring and deepwater installation
ODIM has developed a concept for using fibre rope instead of steel wire to conduct large and heavy operations in deep water. Named the ODIM CTCU (cable traction control unit), this solution plays an important role in the mooring and deepwater installation business area. This business is still in its early stages.

The CTCU system was successfully tested during 2005, and is ready for a commercial launch. ODIM expects to achieve increased revenues from this business area in 2006.

Hareid, 27 February 2005

The board of directors
ODIM ASA

ODIM ASA, fourth quarter 2005

PROFIT AND LOSS ACCOUNT - IFRS

figures in NOK 1 000

	Q4-05	Q4-04	2005	2004
Total revenue	**127 402**	**52 048**	**347 105**	**162 110**
Material and services	77 007	15 869	186 028	67 273
Change WIP	-84	6 712	-84	-4 201
Salaries and social security costs	28 590	18 850	89 502	64 512
Other operating expenses	11 079	6 100	35 721	24 012
Bad debts and provision for bad debts	200	37	200	-132
Total operating expences	**116 792**	**47 569**	**311 366**	**151 463**
EBITDA	**10 610**	**4 479**	**35 739**	**10 648**
Ordinary depreciation	797	568	2 433	2 744
Amortization goodwill	-	-	-	-
Amortization and depreciation	**797**	**568**	**2 433**	**2 744**
EBIT	**9 813**	**3 911**	**33 306**	**7 904**
Loss from investments in associated companies	1 001		1 001	-
Interest received	-301	-85	-389	-364
Interest paid	663	495	2 151	1 930
Currency exchange gain/loss	1 111	118	1 121	-61
Result from financial transactions	**2 474**	**528**	**3 884**	**1 505**
Profit before taxes	**7 339**	**3 383**	**29 422**	**6 398**
Taxes	1 258	945	-1 958	2 934
Profit for the period	**6 081**	**2 439**	**31 380**	**3 465**

Earnings per share (NOK 1)	0,61	2,80	3,49	0,40
Diluted earnings pr share (NOK 1)	0,61	2,80	3,49	0,40

Number of shares *1)	10 031 514	8 723 180	8 992 341	8 723 180
Diluted number of shares *2)	10 031 514	8 723 180	8 992 341	8 723 180
Share options *3)	436 159	573 710	436 159	573 710

*1) Weighted average number of shares in the period.
*2) Using treasury stock method. If striking price on outstanding share options are lower than market price no diluting effect is shown.
*3) Outstanding share options at end of period, option plan approved by board in 2005 but not yet allocated.

ORDER BACKLOG / ORDER INTAKE

figures in NOK 1 000

	Q4-05	Q3-05	Q2-05	Q1-05	Q4-04
Offshore service vessels	265 000	267 000	178 000	129 000	60 000
Marine	92 000	19 000	26 000	44 000	46 000
Mooring & DWI	-	-	-	-	-
Sum order backlog end of period	**357 000**	**286 000**	**204 000**	**173 000**	**106 000**
Offshore service vessels	112 000	157 000	103 000	123 000	25 000
Marine	85 000	3 000	-	13 000	3 000
Mooring & DWI	-	-	1 000		
Sum order intake in period	**197 000**	**160 000**	**104 000**	**136 000**	**28 000**

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BALANCE SHEET - IFRS

figures in NOK 1 000

ASSETS:	31.12.05	31.12.04
Deferred tax asset	8 100	-
Goodwill	5 319	4 588
Total intangible assets	**13 419**	**4 588**
Land and premises	6 758	5 715
Furniture and fixtures	1 438	861
Vehicles, machinery and equipment	7 065	3 548
Total fixed assets	**15 261**	**10 123**
Shares in associated companies	40 280	**-**
Shares in other companies	2 375	-
Pension funds	1 342	1 547
Total financial assets	**43 997**	**1 547**
Total capital assets	**72 677**	**16 258**
Inventories	**18 782**	**19 298**
Accounts receivable	36 113	7 048
Accrued income	91 348	42 943
Prepayment to suppliers	1 093	2 174
Other receivables	17 178	5 188
Total receivables	**145 731**	**57 353**
Bank deposits	**50 819**	**9 634**
Total current assets	**215 332**	**86 285**
Total assets	**288 009**	**102 543**

EQUITY AND LIABILITIES:	31.12.05	31.12.04
Share capital	22 112	17 446
Share premium reserve	54 133	8 045
Paid-in capital	**76 244**	**25 491**
Retained earnings	**57 394**	**-3 699**
Total equity	**133 638**	**21 792**
Pension liabilities	2 248	1 901
Deferred taxes	1 560	1 325
Provision for liabilities	**3 808**	**3 227**
Total long term loans	**35 447**	**6 000**
Total long term liabilities	**39 255**	**9 227**
Short term loans	6 546	31 929
Bank overdraft	486	1 782
Accounts payable	59 685	18 751
Taxes payable	681	750
Public duties payable	5 757	3 924
Warranty provision	38	-
Preinvoiced production	18 926	2 141
Other payables	22 999	12 248
Total short term liabilities	**115 117**	**71 525**
Total liabilities	**154 371**	**80 751**
Total equity and liabilities	**288 009**	**102 543**

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MOVEMENT IN EQUITY - IFRS

figures in NOK 1 000

	2005	2004
Equity at start of period	21 792	18 903
Share issue	53 982	-
Cost of share issue	-5 829	-
Share issue, option plan	2 600	-
Cash-settlement, option plan	-1 152	-
Establishment subsidiary	-20	
Change of principles to IAS 19 for pensions	-275	
Sale of own shares (OHI AS)	27 038	
Profit for the period	31 383	3 465
Translation differenses	4 119	-576
Equity at end of period	**133 638**	**21 792**

CASHFLOW STATEMENT - IFRS

figures in NOK 1 000

	2005	2004
Operational activities:		
Result before tax	29 422	6 398
Taxes paid	-4 312	-386
Depreciation and amortization	2 433	2 744
Loss from investment in subsidiaries	1 001	-
Changes in inventories, recievables and payables	-46 929	-29 302
Changes in pension	552	321
Changes in other current balance sheet items	29 669	-7 119
Net cashflow from operational activities	**11 835**	**-27 343**
Investing activities:		
Investments in tangible assets	-6 527	-723
Cash from sales of assets	123	90
Shares in associates and other investments	-16 617	-
Net cashflow from investing activities	**-23 020**	**-633**
Financing activities:		
Equity paid in (share issue)	50 753	-
Cash-settlement, option plan	-1 152	-
Change in long term loans	393	-92
Change in short term loans/bank overdraft	2 375	238
Net cashflow from financing activities	**52 369**	**146**
Net change in cash	**41 184**	**-27 830**
Cash at start of period	9 635	37 465
Cash at end of period	**50 819**	**9 635**

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SEGMENT INFORMATION - IFRS

figures in NOK 1 000

Offshore service vessels:	Q4-05	Q4-04	2005	2004
Revenues	114 492	35 159	290 420	104 021
EBITDA	11 763	100	28 523	606
EBIT	11 101	-606	26 648	-1 643
EBITDA margin	10,3 %	0,3 %	9,8 %	0,6 %
EBIT margin	9,7 %	-1,7 %	9,2 %	-1,6 %

Marine:	Q4-05	Q4-04	2005	2004
Revenues	12 908	16 599	55 830	57 719
EBITDA	2 100	3 951	12 080	10 276
EBIT	1 965	3 906	11 544	9 781
EBITDA margin	16,3 %	23,8 %	21,6 %	17,8 %
EBIT margin	15,2 %	23,5 %	20,7 %	16,9 %

Mooring & DWI:	Q4-05	Q4-04	2005	2004
Revenues	0	280	856	370
EBITDA	-3 284	426	-4 867	-234
EBIT	-3 282	610	-4 888	-234
EBITDA margin	-	-	-	-
EBIT margin	-	-	-	-

INTERNATIONAL FINANCIAL REPORTING STANDARDS

(Change in accounting principles)

ODIM is preparing its financial statements in accordance with the international accounting starndard IFRS with effect from 2005. The figures for fourth quarter 2005 have been prepared accordingly. The published financial statements for 2004 was prepared in accordance with the Norwegian Accounting Act and N-GAAP. For comparison with previous year, ODIM has recalculated the figures for 2004 in accordance with IFRS.
For details about the transision to IFRS and the summary of significant accounting policies, se spesification in the report for second quarter 2005

figures in NOK 1 000

PROFIT - IFRS vs N-GAAP	Q4-05	Q4-04	2005	2004
Profit for the period N-GAAP	-3 672	1 446	9 008	2 275
Changes in result from transition to IFRS	9 753	992	22 371	1 190
Profit and loss according to IFRS	**6 081**	**2 439**	**31 380**	**3 465**

EQUITY - IFRS vs N-GAAP	2005 N-GAAP	2005 IFRS	2004 NGAAP	2004 IFRS
Equity at start of period	41 333	21 792	39 634	18 903
Share issue	53 982	53 982	-	-
Cost of share issue	-5 829	-5 829	-	-
Share issue, option plan	2 600	2 600		
Cash-settlement, option plan FSV	-1 152	-1 152	-	-
Establishment subsidiary	-20	-20	-	-
Change of accounting principle to IAS 19 for pensions	708	-275	-	-
Sale of own shares	-	27 038		
Profit and loss, N-GAAP	9 008	9 008	2 275	2 275
Translation differences	3 809	4 119	-576	-576
Changes in result from transition to IFRS:				
Changes in pension funds/liabilities		91		-7
Changes in deferred tax assets		22 366		-2
Changes in accrued warranties		-360		
Loss from investments in associated companies		-1 001		
Reversed depreciation goodwill		1 278		1 199
Equity according to IFRS	**104 438**	**133 638**	**41 333**	**21 792**

Disclaimer for forward-Looking Statements:
This quarterly Report includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. Such forward-looking information and statements are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for ODIM ASA and its subsidiaries. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or will be major markets for the ODIM's businesses, oil prices, market acceptance of new products and services, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time. Although ODIM ASA believes that its expectations and the information in this Report were based upon reasonable assumptions at the time when they were made, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in this Report. ODIM ASA nor any other company within the ODIM Group is making any representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the information in the Report, and neither ODIM ASA, any other company within the ODIM Group nor any of their directors, officers or employees will have any liability to you or any other persons resulting from your use of the information in the Report. ODIM ASA undertakes no obligation to publicly update or revise any forward-looking information or statements in the Report.

Facts about ODIM ASA:
ODIM ASA is a fast-expanding Norwegian technology company which develops and sells advanced automation solutions, primarily cable-handling systems and winches for offshore and naval vessels.

The company currently occupies a leading position in selected market niches, such as seismic surveying and offshore supply. Through the ODIM Spectrum subsidiary in Canada, it also has a solid position in the defence market.

In addition to its established market niches, ODIM will be making a heavy future commitment to the very promising deepwater market. The company rests on a strong professional and technological base. Its head office is at Hareid in western Norway, with subsidiaries at Peterborough in Canada and Houston, Texas.

ODIM has a total of 180 employees.

For further information, visit www.odim.no, or contact:

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