



March 10, 2017

## Odyssey Marine Exploration Reports Full Year 2016 Results

TAMPA, Fla., March 10, 2017 (GLOBE NEWSWIRE) -- Odyssey Marine Exploration, Inc. (NASDAQ:OMEX), a pioneer in the field of deep-ocean exploration, reports results for full year ended December 31, 2016.

### 2016 Highlights

- | Generated \$4.7 million in revenue from operations, compared to \$3.4 million in revenue from operations in 2015, a 38% increase.
- | Continued to actively manage costs, reducing operating expenses 43% from prior year
- | Decreased net loss 65% from \$18.2 million in 2015 to \$6.3 million in 2016, with the net loss per share decreased from \$2.46 in 2015 to \$.84 per share in 2016.
- | Launched CLIO Offshore, a division of Odyssey, which is focused on generating cash from the provision of services to the third-party clients including survey, remotely operated vehicle (ROV) and recovery services. This allows us to leverage our seasoned technical team and assets between major projects.
- | Completed the first contract for offshore services for our shipwreck business partner using Odyssey technology and marine personnel, resulting in revenue of \$2.9 million.
- | Continued to support subsidiaries' pursuit of environmental approval to begin recovery of phosphate sands from the Don Diego project and development of additional mineral projects.

### Seabed Mineral Exploration Update

The "Don Diego" deposit is the main focus of Odyssey's mineral exploration division; however, new mineral projects are also in development. The company believes that the "Don Diego" deposit contains phosphate rock that can be extracted on a financially attractive basis and that the product will be attractive to Mexican and other world producers of fertilizers.

Exploraciones Oceanicas S. R.L. de CV (ExO), the Mexican operating company with the mining concession containing the Don Diego phosphate deposit, has conducted extensive scientific testing of the mineralized phosphate material and the environmental impact of recovering the mineralized material from the seafloor. ExO has been working with environmental experts on the impact assessment and permit process, with potential partners on the extraction program, and with financial advisors on the strategic growth alternatives.

In order to move to the next phase of development of the deposit, Odyssey and its subsidiaries need the approval of an environmental permit application. An administrative, legal and political/educational process has been underway to achieve this goal. This process is expected to conclude in 2017. Odyssey indirectly owns 54% of the outstanding shares of a subsidiary, Oceanica Resources S. de R.L., which owns ExO.

### Shipwreck Projects Update

Odyssey began conducting offshore services for our shipwreck business partner, Magellan Offshore Services, in 2016. Offshore work is currently underway on the second shipwreck services contract with Magellan which includes multiple targets. The master services agreement governing these projects states Odyssey will be paid cost plus a specified profit, and Odyssey will receive 21.25% of net returns, if any, from these projects.

Odyssey also offers its marine exploration services to third party companies. This may be for mineral exploration, environmental studies, subsea surveys, and other off-shore work requiring specialized vessels, equipment and personnel.

### Management Commentary

"We're looking forward to an exciting and positive 2017. Our marine operations team is already offshore working on a new project for our shipwreck partner, Magellan. This is the second of what we expect to be many additional fully funded shipwreck projects," said Mark Gordon, Odyssey CEO. "We're focused on increasing cash generated from marine services, and we're pursuing an active pipeline of projects for existing and new clients.

"Our onshore team has been hard at work developing plans to begin generating revenue from the Don Diego phosphate deposit as soon as possible after the environmental approval is obtained. Although we have been disappointed by the results of the administrative process for environmental approval at SEMARNAT, it was a necessary step in our multi-pronged strategy to achieve ultimate approval of the project. We have augmented the approval process with a legal mechanism that has strict deadlines and is normally completed within 8 months," Gordon continued. "We remain confident in the extensive scientific documentation that demonstrates the offshore extraction of phosphate can be accomplished without

harming the local environment, fishing and tourist activities, and we continue to believe in the ultimate approval of the project.

"As noted in our recent Form 10-K, we have recently arranged financing under terms that don't cause dilution to either Odyssey or our position in Oceanica Resources but instead provides the lender with an equity opportunity in a new, early stage mineral development project. We are confident that between this funding mechanism, cash generated from operations and other funding available to us, we have the means to adequately fund the company through to a final decision on this matter.

"We continue to be pleased with the level of support we are receiving from MINOSA and view the recent notification from Epsilon Acquisitions of their intent to convert \$3 million of debt owed by Odyssey into Odyssey equity very positively." Epsilon is an investment vehicle controlled by Mr. Alonso Ancira, who is the chairman of MINOSA's parent company, AHMSA.

## **2016 Financial Results**

Total revenue decreased by \$0.6 million from \$5.3 million in 2015 to \$4.7 million in 2016. The 2016 revenue is from providing customers deep-sea surveying services as well as a shipwreck search and recovery operation. \$3.4 million of the revenue in 2015 resulted from providing marine exploration services for a shipwreck recovery project in the fourth quarter, and \$1.9 million of the 2015 revenue resulted from the sale of inventory items such as coins.

Marketing, general and administrative expenses decreased from \$11.5 million in 2015 to \$7.9 million in 2016. This decrease of \$3.6 million in 2016 is primarily due to (i) a reduction in corporate staffing of \$0.9 million, (ii) reduced legal fees of \$0.4 million which were greater in 2015 due to transaction costs related to the Stock Purchase Agreement with MINOSA, (iii) a reduction of \$0.6 million in share-based compensation primarily due to the accelerated vesting of restricted stock units related to the retirement of the Company's General Counsel in June 2015 as well as the reduction in outstanding instruments, (iv) a \$0.2 reduction in outside contracted services, (v) a \$0.9 million reduction in professional services primarily related to the asset sale that occurred on December 10, 2015 and (vi) a \$0.5 million decrease due to our corporate cost reduction initiatives.

Operations and research expenses were \$8.3 million in 2016 as compared to \$11.4 million in 2015. The decrease of \$3.1 million in 2016 is primarily due to (a) lower costs in 2016 associated with the Dorado Discovery vessel which incurred charter related costs in 2015 of approximately \$1.0 million, (b) a reduction in outside contract labor due to a greater amount of 2015 operations of our vessel, Odyssey Explorer, and its related sale in 2016, (c) a \$0.5 million reduction in mineral professional services that was related to the preparation of our environmental application in 2015 and (d) a 2015 Odyssey Explorer dry dock maintenance cost of \$1.0 million that did not occur in 2016. Operations and research, other for 2016 of \$1.0 million is a gain resulting from the sale of two marine assets. Of this gain, \$0.8 million is a non-cash gain resulting from the settlement of trade debt.

The net loss for 2016 was \$6.3 million or \$(0.84) per share, as compared to a net loss of \$18.2 million or \$(2.46) per share in 2015.

Consolidated financial statements as well as Odyssey's Annual Report on Form 10-K for the year ended December 31, 2016, are available on the company's website at [www.odysseymarine.com](http://www.odysseymarine.com) as well as at [www.sec.gov](http://www.sec.gov).

Shareholders with questions about Odyssey's fourth quarter and full year 2016 results may submit inquiries by emailing [IR@odysseymarine.com](mailto:IR@odysseymarine.com).

## **About Odyssey Marine Exploration**

Odyssey Marine Exploration, Inc. (Nasdaq:OMEX) is engaged in deep-ocean exploration using innovative methods and state-of-the-art technology for shipwreck projects and mineral exploration. For additional details, please visit [www.odysseymarine.com](http://www.odysseymarine.com).

## **Forward Looking Information**

Odyssey Marine Exploration believes the information set forth in this Press Release may include "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Act of 1934. Certain factors that could cause results to differ materially from those projected in the forward-looking statements are set forth in "Risk Factors" in Part I, Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2016, which was filed with the Securities and Exchange Commission on March 10, 2017. The financial and operating projections as well as estimates of mining assets are based solely on the assumptions developed by Odyssey that it believes are reasonable based upon information available to Odyssey as of the date of this release. All projections and estimates are subject to material uncertainties, and should not be viewed as a prediction or an assurance of actual future performance. The validity and accuracy of Odyssey's projections will depend upon unpredictable future events, many of which are beyond Odyssey's control and, accordingly, no assurance can be

given that Odyssey's assumptions will prove true or that its projected results will be achieved.

**Cautionary Note to U.S. Investors**

The U.S. Securities and Exchange Commission (SEC) permits mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. We use certain terms in this press release, such as "measured", "indicated," "inferred" and "resources," which the SEC guidelines strictly prohibit us from including in our filings with the SEC. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. U.S. investors are cautioned not to assume that part or all of the inferred mineral resource exists, or is economically or legally mineable, and are urged to consider closely the disclosures in our Form 10-K which may be secured from us or from the SEC's website at <http://www.sec.gov/edgar.shtml>.

CONTACT:

Laura Barton

Odyssey Marine Exploration, Inc.

(813) 876-1776 x 2562

[laura@odysseymarine.com](mailto:laura@odysseymarine.com)