

Odyssey Marine Exploration, Inc.
Second Quarter 2014 Financial Results
August 11, 2014

Operator: Good afternoon, and thank you for joining us today to discuss Odyssey Marine Exploration's Second Quarter Results ended June 30th, 2014.

With us today are Greg Stemm, Odyssey's Founder and CEO; Mark Gordon, Odyssey's President and Chief Operating Officer; and Philip Devine, the Company's Chief Financial Officer. Following their remarks, we will open up the call for your questions. Then, before we conclude today's call, I'll provide the necessary precautions regarding forward-looking statements made by Management during this call, as well as a special note to US investors regarding the disclosure of mineral deposits as referenced in the SEC's Industry Guide 7.

We would like to remind everyone that this call is available for replay through September 11th, 2014, starting later this evening. A webcast replay will also be available via the link provided in Company's earnings release, as well as available on Odyssey's website at www.odysseymarine.com.

During this call, you can also send written questions by sending them via the webcast system. We may not have time to take everyone's questions, but if you submit questions via the webcast system, we will answer all remaining questions via email after the call.

Now, I'd like to turn the call over to the Founder and CEO of Odyssey Marine Exploration, Mr. Greg Stemm. Please go ahead, sir.

Gregory P. Stemm: Thank you very much. Good afternoon, everyone. Thank you very much for joining us this afternoon. Right off the bat, you're going to probably notice that there's something different about today's call. I haven't hosted any of the quarterly calls this past year, and I'll only be doing a brief introduction on this one today.

A couple of reasons you haven't heard from me on the conference calls include my extensive travel schedule pursuing new projects and strategic initiatives, and also the ever-increasing role of Mark Gordon in the day-to-day management of Odyssey, including his daily interaction with the investment community.

When John Morris and I started Odyssey 20 years ago, we believed that with some imagination, some hard work, and a great team of dedicated people, we could build a Company that was capable of finding and recovering almost anything on the ocean bottom. During the past 20 years, with

tremendous perseverance, against many odds and confounding those who doubted us over and over again, I believe we built the best ocean exploration team in the world.

We've found hundreds of shipwrecks and recovered more valuables from the ocean floor than anyone in history. In the process, we've achieved a globally recognized reputation of excellence in deep ocean survey, recovery, archeology, and now even mineral exploration.

Odyssey's never been a typical public Company. In fact, there are some people who question whether we should even be public. As we've grown, our shareholder base has transitioned as well. It's changed from a handful of friends who were betting on us to find a shipwreck, to a long list of some of the most sophisticated and well-respected funds in the world.

With this shift in our investor base came a change in expectations from our shareholders, who have increasingly focused on the long-term viability of our business model and less on periodic successes. As we've matured as a business, we see the need to define and communicate a long-term vision; it was less a tightrope walk and more of a predictable cash flow model—a move from betting on exciting but unpredictable grand slams to consistent, predictable base hits.

Some people are born entrepreneurs who are comfortable with risk and are willing to take calculated wagers on big potential outcomes. Many of the world's most successful companies started with entrepreneurs who embraced those risks. As the companies grow and expectations of more consistency drive the investment decisions of the shareholders, the risk profile is often expected to change. Many of today's biggest and most conservative mining outfits, oil and gas companies, technology and biotech firms started life as very high-risk endeavor. As they grew, they transitioned into more stable and predictable businesses.

As we look at where we've come from and we look to what the future holds in store for us, it's increasingly evident that it's time for a transition in our business plan. We hear it from our shareholders, and ironically, we even hear it from the shorts who like to exaggerate the risks and use false and misleading propaganda to scare the shareholders with those risks.

When I brought Mark Gordon on board nearly 10 years ago, I recognized a guy who was already a successful entrepreneur, and who fully understood how I viewed the world as an entrepreneur with the concept for a unique new kind of exploration company. While Mark clearly understood my vision, he also brought a level of discipline and tactical consistency and stability to the team, which in turn provided a great counterpoint to my own style of entrepreneurship. It happens with most entrepreneurial companies; I knew there

would come a time when I could best serve Odyssey by focusing on big picture strategy and new project development, while day-to-day operations were managed by a disciplined, steady, and focused hands of someone I trusted, and as importantly, the shareholders of Odyssey trusted.

About five years ago, we started talking about Mark eventually taking over as CEO of Odyssey. Since that time, Mark's increasingly brought his disciplined, tactical approach to different departments of the Company and taken over many of the day-to-day operations. More recently, he's worked closely with me to develop the strategic direction of the firm. As part of this transition over the past few years, Mark has also become the face of our Company with the media, and he's become the primary interface with our investors in addition to the day-to-day management functions he's taken over.

Every step of the way, as Mark has relieved me of responsibilities around the office, he surpassed all of my expectations and has proven himself to be not just a great manager, but also a truly great leader. As he stepped into this role, I've been freed up to focus on entirely new opportunities, including the development of our mineral exploration initiatives, which I believe hold amazing opportunities for us in both the near and the long-term future.

At the June Board meeting, we started our strategic planning session with a candid and frank look at where we are today, where our shareholders expect to see us go in the future, and how to best use the many talents that exist in the Odyssey team to take this Company to the next level. After careful deliberation, we decided that it was time to formally announce the transition that we've been working on during the past several years. I'm pleased to announce today, that before the end of the year, I'll be moving to the position of Chairman of the Company, and Mark Gordon will be replacing me as CEO.

While this may come as a surprise to some, those of you who are closer to the Company have undoubtedly seen this transition coming. I'm on the road and away from the office too much of the time to manage day-to-day operations efficiently, and everywhere that Mark has taken responsibility in the Company, his management and leadership skills have resulted in change for the positive.

This transition frees me to focus on what I believe I'm best at; the development of new opportunities throughout the world by leveraging the core competencies and expertise of the Odyssey team. In particular, you'll see me concentrating on our Oceanica project and other mineral exploration opportunities in the coming months. These initiatives are so important to the Company's future that they deserve my absolute focus. Mark taking the reins as CEO frees me up to make sure that we maximize shareholder value with our

offshore mineral capabilities and other opportunities that are just now opening up to us.

Mark's official transition to CEO will happen before the end of the year, and I'm absolutely confident that he is ready, willing, and able to assume this new role. I'm really excited about supporting him as he writes the next chapter in Odyssey's history.

With that, I'll pass the mic to our incoming CEO, Mark Gordon, who I think you can all trust to lead Odyssey into a new era of exciting opportunities and outstanding results for our shareholders. Mark?

Mark D. Gordon: Good afternoon, everyone. Thank you for joining us today. I'd also like to thank Greg Stemm and our Board of Directors for the confidence they're placing in me to take over as CEO in the coming months.

I've been at Greg's side for meetings with all our major strategic partners and I've learned a great deal from our experienced offshore team about shipboard operations over the past years. We'll continue to benefit from Greg's vast industry experience and vision as Chairman of the Board, and I'm looking forward to applying my past experience building and transforming companies to Odyssey as I take over as CEO later this year.

Over the past few years, we've proven that we can be operationally successful, achieving things in the deep ocean that have never been done before. In 2011, we discovered the SS Gairsoppa and SS Mantola shipwrecks in less than two months. In 2012, we accomplished a record-setting recovery of 48 tons of silver from a steel shipwreck three miles deep, and monetized all the cargo within a few months. In 2013, we broke that record with the recovery of 61 tons of silver from three miles deep, and monetized all that cargo within a few months.

This year, we're performing recovery under contract on what is probably the most celebrated American shipwreck of our time, the SS Central America. Our portion of the value of the cargo already recovered is projected to show a healthy return on our investment. Over the past year and a half, we discovered and validated one of the biggest and highest quality phosphate deposits in the world. This project has generated significant net cash inflows to Odyssey, and Odyssey is the majority stakeholder in this highly attractive asset.

Over the past 20 years, Odyssey has built a valuable portfolio of intellectual property, projects, technology, and proprietary methodologies that we will harvest for years to come. I've been at sea with our offshore team as they work, and there is no question that they can continue to make amazing discoveries and conduct valuable recoveries.

With changes that we intend to implement in our business model, we plan on taking our outstanding offshore success and leveraging it into a more predictable business model. This will be accomplished without cutting our core capabilities or our commitment to world-class archeology, exploration, and science. We'll be talking a little more about that throughout this call, but first, we'll have Philip Devine, Odyssey's CFO, walk you through the second quarter financials.

Phil, I'll turn the call over to you now.

Philip S. Devine: Thank you, Mark. I'll only have time to cover some of the financial highlights of the second quarter of 2014, thus, I encourage everyone listening to this call to read our Form 10-Q for further details.

The second quarter was marked by several key financial events. On the positive side, in mid-April, we started to work on the SS Central America shipwreck site, and from week one of the project, it has been a profitable project for us.

This quarter, we retired the \$18 million of convertible debt notes issued in 2011 and 2012, which had an interest rate of 8 to 9%. We obtained a new bank credit facility of \$10 million at current interest rates of close to 5%. We took delivery of a new deep-tow system to increase our capabilities to expand our commodity shipwreck recovery program. Finally, our consolidated net result improved by 63% and our operating cash flows improved by 39% compared to the same period last year.

However, not everything went well in Q2. Our share price declined significantly, which clearly hurt Odyssey and all of our shareholders. We did not generate any revenues from the Dorado Discovery vessel, and the business as a whole was still generating a loss and consuming cash.

But let's look at some of the financial statement line items and events in further detail.

First, our revenues in the second quarter of 2014 were very similar to those in 2013. However, our operations and research expenses decreased significantly by 71%, or \$6.8 million due to two main reasons. The first one, in 2014, we conducted all shipwreck recovery work on the SS Central America project with our own vessel, the Odyssey Explorer, whereas in 2013, we had chartered the Seabed Worker vessel for a cost of \$4.6 million in the quarter for the recovery of the Gairsoppa project.

In 2014, we have recovered tens of millions of dollars worth of cargo from the SS Central America shipwreck, and significant recovery continues. Pursuant to our contract for this work, we are entitled to receive \$3.5 million of initial proceeds from the monetization of this cargo, or what is called a priority recoupment related to the costs we incurred in Q2 for this project. As such, operating expenses were credited for this amount in Q2 and an equal receivable amount was recorded on the balance sheet.

Although a large quantity of valuable items were recovered in Q2, and although Odyssey is entitled to 45% of all proceeds from the monetization of the cargo, after the first tranche of proceeds is used for priority recoupment payment, no revenues were recognized in Q2 because they are dependent on the value achieved through a monetization event that has not yet occurred.

Our cash balance at June 30th, 2014 was nearly identical to the cash balance at March 31st. Although this cash balance is not enough to cover our cash needs over the coming 12 months, we believe that cash from sources such as the monetization of Central America cargo, the monetization of a partial stake in Oceanica, the collection of the \$11 million due to us by Oceanica subsidiary, and other funding opportunities will allow us to continue to pursue our various projects. In parallel to these cash inflows, we are reducing our cash needs by reducing operating and capital expenditures.

Mark will get into more details on these items, but to illustrate the cash outlook as of today, let me mention three important items. One, we have negotiated another multi-million dollar loan linked to an exclusive, long-term marketing partnership which provides us with access to up to \$10 million.

Two, we have terminated the charter of the Dorado Discovery vessel, and upon return of the vessel this year, this will reduce our operating cash needs going forward.

Three, based on new cargo recoveries from the SS Central America project, this month we drew down a further cash advance on our \$10 million bank credit facility which we obtained in May of this year.

The SS Central America project has gone through phases of high rates of valuable cargo recovery and phases of lower recovery rates, depending on which parts of the ships we are working on. As an example, on the first day over the shipwreck site in mid-April, we recovered several million dollars worth of gold, clearly visible on the surface of the seabed on the first dive. Then, we spent a few weeks performing the archeological pre-disturbance work, including surveys and photo mosaics where no recovery work was conducted.

The recovery rate in May and the first half of June was very significant. The rate of recovery of valuable cargo items slowed down in the period between June 15th and July 15th as we spent time moving large deposits of debris from an area of the shipwreck believed to hold important artifacts and valuable cargo. This was a planned and necessary step in carrying out a thorough archeological recovery.

These past weeks have again seen an uptick in recovery results, coming from newly explored areas of the shipwreck site. It was this renewed rate of cargo recovery that allowed us today to draw down a further cash advance for our bank on our 10 million credit facility.

With that, I'll turn the call back over to Mark.

Mark D. Gordon: Thank you, Philip. Well, I've got a lot I want to talk about with everyone so I'm going to go quickly.

As many of you know, I've been with Odyssey for over nine years and I'm intimately familiar with the resources, strengths, weaknesses, capabilities and unique expertise of the Company. I'm also a bootstrap entrepreneur who has successfully built and transformed multiple businesses prior to joining Odyssey. While I haven't officially taken the helm as CEO yet, I wanted to share some of my thoughts on things I'll be focusing on with the Management team over the coming months.

As I prepared for this conference call, I was focused on the message the market has been sending us this year. It would be too easy to place all of the blame for our current stock price on the persistent effort of malicious short sellers amplified by their primary mouthpiece, who appears to be getting desperate, releasing six new short and distort reports filled with ridiculous inaccuracies last month alone.

I get that conventional short sellers are an integral part of a healthy functioning market. What troubles me are those who go beyond simply spreading false and misleading information, and are so intent on profiting at the expense of our investors that they're willing to engage in fraud and manipulation to achieve this end. This line has recently been crossed, and these actions are now being reviewed by appropriate regulatory and law enforcement agencies who are considering prosecution options. When we're in a position to say more on this topic, we will. We also know that some of our investors are taking it upon themselves to appeal to appropriate regulatory authorities to take prosecutorial action, and we want you to know that we applaud your individual efforts to protect yourselves and your fellow shareholders.

While it's easy to take aim at the unethical antics of the short and distort mob, the reality is that the market is speaking to us loud and

clear, and we must take full responsibility for allowing ourselves to become an easy target for those who are unrestricted by facts and truths in their attacks. It is our responsibility to prove them wrong. We will prove that Odyssey is here to stay, and we've been strengthening our business model with a focus on ensuring that we do not allow ourselves to be an easy target for fear mongers who seek to profit at the expense of shareholders.

It is easy to become scared and confused when being bombarded by false claims, but I want to assure you of a few different things. First, we're not facing an imminent liquidity crisis, as has been repeatedly touted by the short and distort mouthpiece. Although, it was said that we would file bankruptcy on July 16th, that obviously didn't happen, and after 20 years in business, never missing a payroll, and with many ways to fund our business plan, I can tell you that bankruptcy has never even been a consideration for Odyssey. I am confident that our current cash and established funding vehicles will get us through to our next significant monetization events, and I believe that we will realize significant proceeds from more than one of our projects and investments in the coming months; sums which could fund this business for years to come.

In addition to our cash on hand and remaining capacity open on our bank line, we have just entered into a loan and long-term exclusive marketing agreement, which provides up to \$10 million in new funding. There is no dilution of Odyssey equity, and we receive an immediate \$5 million with an additional 5 million in funding available to us in the coming months, based on attaining certain mutually agreed performance targets; targets which we believe are well within our reach.

So, contrary to the ridiculous claims of the mouthpiece for the shorts, we are not facing any sort of imminent liquidity crisis and I'm confident we have the cash and funding in place that will carry us through to our next significant monetization events, which include expected additional cash inflows from a strategic investor in Oceanica, as well as recovery proceeds from the SS Central America.

Next, the Central America project is going very well. While it was said publicly by the mouthpiece for the shorts, that, and I quote, "The SS Central America project is not viable and there is little to no treasure left" and "At best, the SS Central America has a very small amount of random passenger coinage or gold that was not initially worth recovering", and then, "Even if there was any gold left on site, there is a strong chance it has already been recovered by another rogue salvage group."

Just last month, some said it was unlikely that we would even return to the Central America site. Guess what? Wrong on every count. Our portion of the recovery cargo's value is already well in excess of our projected costs and productive recovery operations continue as we speak. For

the past week, we've had a substantial recovery success and there are still significant areas of interest to explore on this site.

Finally, the Oceanica phosphate project is progressing beyond our original expectations and is building significant shareholder value for Odyssey. The mouthpiece for the shorts once again proved his ignorance by claiming that Oceanica didn't have permission for core sample drilling. Once again, just plain wrong. We did have all necessary permissions in hand.

He also said that the project was destined to failure because the Oceanica phosphate sands dredging would overlap several fishing concessions—again, not true. The proposed mining area is outside of territorial waters and does not overlap any fishing concessions. His "expert" opinion was that the in situ P₂O₅ concentrations for the Oceanica deposit were very low compared to other mines. Again, completely not true. His ignorance of phosphate mining and processing apparently led him to compare Oceanica's in situ concentration level with that of fully processed ore. That's like comparing a gold mine's concentration of gold per ton to that of fully processed and smelted gold.

We're not sure if that was ignorance or a deliberate attempt to mislead, but either way, I would be cautious believing any statements from this short and distort mouthpiece. While the short's thesis is, "We believe Oceanica is not viable and is worthless"—well, stay tuned. We plan to prove that completely false very shortly as well.

Those of you who are with the shorts will believe what you want to believe, or more likely, will manufacture your own facts to suit your own ends. You will spin my message today in an attempt to further your manipulation—I get that. Some doubters may even capitulate to the fear and uncertainty that you have propagated—I get that too. But today I'm speaking to those of you willing to give us the benefit of an open mind and those who would rather focus on facts, rather than conjecture and negative propaganda. In fact, I believe that most of you listening today are true investors who are influenced by actual results, not hearsay. I speak with many of our investors on a regular basis, and I know that you are frustrated because our cash generating events have been too few and too far between relative to our cash use. I completely understand this frustration, and I know that we must change our business model to accommodate our current realities.

We have already begun to alter our business model in a manner that reduces risk, enhances cash generation, and continues to allow us to harvest our portfolio of asymmetric risk opportunities. I want you to know that significant change is underway and more is to come. I'm asking you to screen out the noise being generated by those who have their own selfish motives.

Even if they purport to contribute their personal gains to charity, I'm asking you to give your Management team a chance to allow actual results to influence your judgment as to whether OMEX is an investment you should buy, hold, or sell. I urge you to make this decision for yourselves based on real facts, not manufactured unsupported claims by unethical shorts whose stated intention is to create doubt in the minds of shareholders and other stakeholders.

Greg Stemm, our Founder, recruited me to join Odyssey because he was familiar with my experience of building and re-engineering entrepreneurial business ventures that were operating in highly turbulent environments. Greg has always encouraged me to apply that experience to all areas of the business that have been under my control. Now Greg and the Board are asking me to apply this thinking to our entire business enterprise and I'm excited to take this on. We've begun re-engineering our business model and you'll be seeing the changes over the next months that demonstrate our commitment to this model.

In the past, we've made significant capital and operating expenditures on highly risky projects that did not necessarily have immediate returns matched to these investments, or customers willing or capable of paying for our assets and services. Some of these bets paid off well but others did not. In the past, we were willing to endure years of losses and cash burn with the expectation that one big successful project in the future would provide enough financial return to cover the past shortfall and fund future projects. We all agree that we need to sharpen our discipline in this regard and that we need to instead plan for yearly profitability and recurring positive operating cash flows.

I want you to know that the strategy shift currently being implemented does not involve a wholesale change of the business. I'm not here pitching you on a new dream. I am here to tell you that, with changes in our current operations, we can have a much healthier business model. Changes are underway and more will soon be executed so that our monthly operating cash needs will be reduced by over a third by the end of this year. Our organization is not new to making these types of incremental changes that produce big results. Two specific examples during my tenure at Odyssey come to mind.

When I first joined Odyssey, we had a direct-to-consumer sales operation for marketing SS Republic coins, including an outbound call center. We eliminated this expensive department in favor of a wholesale operation which leverages an established coin and collectible dealer network to market coins, reducing overhead while enhancing profitability through a low cost but highly scalable distribution channel. With the new marketing partnership we have just secured, our marketing reach will go even further and we will have significant added sales capabilities without any increase to our overhead.

Another example is that Odyssey had also built a large business unit staffed with some of the country's most accomplished attraction industry executives. A great permanent exhibit was built by this team and the intent was to open multiple locations around the country. Unfortunately the business did not work out as planned. Recognizing this reality, we engineered the restructuring of this large, full-time fixed attraction business unit, which had significant cap ex and op ex spends associated with it. We converted the business unit into a profitable traveling exhibit model with management and expense now outsourced to an industry expert firm. The business now accomplishes its intended goal, sharing the excitement of exploration in a way we hope will incentivize the next generation of explorers, while providing similar income without expense exposure to Odyssey.

So, let's take a look at where we are. Odyssey has proven our ability at finding and recovering valuable items on the seafloor. This ability comes from a combination of talented people, special equipment, unique databases, and years of learning in real-life projects. Our guys find the previously unfindable and recover the previously unrecoverable from the ocean's depths. Odyssey is the undisputed leader in its field, and in terms of technical accomplishments in the deep ocean—period. End of story.

Our pipeline of future projects is immense and has been added to significantly during the past few years. As we have developed a new industry over the past two decades, we must acknowledge that Odyssey has not yet delivered meaningful profitability, positive operating cash flows, or stable returns to its shareholders. So, how do we take this industry success and demonstrate that this business can be made financially attractive and is capable of providing significant returns to investors?

Let's first take a closer look at our projects over the past two and a half years. The 2012-2013 Gairsoppa project generated \$79 million of cash proceeds, of which 12 million went to the UK government and the British silver refiner. This left 67 million for Odyssey, who in turn had 27 million of direct project costs; excluding how Odyssey financed this project, the project thus left a project profit of \$40 million, or a gross margin of 60%. The recovered cargo was transformed into cash within a few months of recovery.

Although we recovered 80-pound silver ingots that typically only sell for spot silver prices, through thoughtful financial and marketing management, we secured monetization values for Odyssey well above the spot price of silver.

The 2012 to 2013 Mantola project was never selected as a standalone project given the limited cargo expected to be on board—10 to \$15 million. It was selected as a project of convenience which could be executed in conjunction with the Gairsoppa project, leveraging the same tools and people

while they were in the same area. Odyssey made two attempts to locate the silver part of the cargo on the ship, however, when the silver was not rapidly found, Odyssey ceased spending on the project before the cost became excessive. Although this was not a profitable project, I believe it showed good management and financial discipline in cutting our loss short.

At the end of 2013 and start of 2014, Odyssey was in a competitive bid with other organizations worldwide for the SS Central America project. Odyssey was the winner of this selection process due to our unique combination of experience and skills, ranging from recovery and archeology to conservation and cargo monetization. The 2014 Central America project had a lower risk profile than a brand new shipwreck project, and thus, Odyssey accepted this project with a lower than usual financial interest in the project. This project has been profitable for Odyssey, from the first week of operations, and it continues to be highly—it continues to be a highly profitable endeavor.

For the last year and a half, Odyssey has been working on the Oceanica phosphate deposit. Odyssey has spent direct costs of approximately 20 million on this project since inception, has received 27.5 million in cash for the sale of a minority stake in Oceanica, and still retains over a 50% equity stake in this company that has a tremendous potential to produce significant returns for Odyssey investors.

While the SEC and my lawyers ask me to remind you of the mining disclaimers to follow this call, I am confident in telling you that the Oceanica deposit is one of the largest and highest grade new phosphate deposits in the world.

Three of these projects have been highly successful, both financially and technically. The one unprofitable project was managed with financial discipline to limit the downside. With increased financial discipline, the use of the same technical capabilities and a tight control over overhead and downtime cost, we can convert our large pipeline of similar projects into consistent financial success going forward.

The question many of you may be asking yourselves right now is, if these projects pro forma so positively as standalone case studies, then why have you not been generating profits with more positive cash flows? The simple answer is that until recently, our investment philosophy has been geared toward aggressively expanding our portfolio in both shipwreck and mineral opportunities at a rate that outpaced corresponding returns from these investment activities.

With the benefit of hindsight, we now realize that we could have better adjusted our investment pace, especially considering the fact

that we were undercapitalized and we're not positioned to fund this level and pace of investment.

The good news is that these investments have allowed us to productively fill a pipeline of opportunities that will provide us amazing business opportunities for years to come.

Now, we've decided to slow our rate of speculative investment while we harvest monetization events from this portfolio. In turn, these monetization events will fuel our next wave of growth.

As we move forward, we will become even more disciplined about aligning our expenses and investments with defined opportunities that have demonstrable near-term returns. We're going to continue to be innovative and invest in things that make sense, financially, and to strengthen the core aspects of the business. But, we intend to better pace our rate of investment to match expected timing of returns.

Asset utilization is another key area of focus that will have a dramatic favorable impact on our model. Simply stated, if you have a committed asset that is only fully utilized say 60 to 70% of the year, you're better served paying an increased day rate cost to lease a similarly capable asset at the points in time that you need that capability, thereby achieving closer to a 100% utilization rate at lower total costs. To this end, we have terminated the long-term charter on the Dorado Discovery. This will help us reduce our monthly operational expenditures by 25 to 30% by 2015.

But this doesn't mean our capabilities in deep ocean mineral exploration are diminished. We are continuing to develop projects to secure rights to valuable mineral resources in the deep ocean. Offshore exploration work can be completed with our team aboard the chartered Dorado Discovery as needed, or another ship chartered on a short-term basis for specific projects that are funded, without carrying the costs year round. We're also going to focus on moving quickly to curtail expenses when investments in projects are not producing as predicted, as we did with the Mantola Project.

The Board of Directors and Management are laser focused on developing a strategy for producing consistent and predictable cash flow in the future. We're leaving no stone unturned when it comes to looking closely at financial discipline within the Company and doing a careful analysis of how we run individual projects and the Company as a whole. We have a robust portfolio of potential high return projects that we will execute in the coming years.

Depending on when the SS Central America project wraps up, we have several projects under consideration for the remainder of 2014 and into 2015, including the commencement of reconnaissance work on

one or more modern commodity wrecks. We recently took delivery of a new deep-tow system that was specifically acquired to move our commodity program forward.

In the near-term, we will focus on the location and/or inspection of multiple commodity targets. Those with bullion cargo can move relatively quickly to the recovery stage with the Odyssey Explorer if available and equipped for that particular project, or short-term leased vessels. Recovery of larger commodity cargoes will require much larger ships and will likely be postponed until the balance sheet can support the additional expense. We expect to provide more details on 2015 and beyond operational plans in our next conference call.

As we couple a more disciplined investment approach with our thoroughly proven deep ocean exploration methodology, our future shipwreck projects can generate significant cash and profits, not only on a standalone project basis, but on a recurring annual consolidated Company-basis. With the same investment discipline, we will continue to invest intelligently in developing seabed mineral projects that will build shareholder value and short-term cash inflows as well. As we speak, we're focused on creating the next Oceanica-type opportunity for Odyssey shareholders.

Speaking of Oceanica, despite the false statements and negative spin the shorts have tried to put on this, we couldn't be happier with the project. Allow me to reiterate what we've accomplished during the short history of this venture. We announced this project in March, less than a year and a half ago. Since then, we've received 27.5 million in cash from the sale of a minority portion of our ownership stake; we've completed an extensive program of core drilling to provide information for resource estimate; we've completed extensive environmental sampling, modeling and testing for the environmental impact filing. We've worked extensively with the senior members of JP Morgan's expert Chemical and Fertilizer Corporate Finance team to maximize the value of the project for Odyssey shareholders.

As we announced two weeks ago, the EIA is complete but has not been filed due to additional reviews and meetings with many stakeholders, including environmental groups, local fishing interests and community leaders, as well as potential strategic partners. An additional reason that the filing of the Environmental Impact Assessment has been held up was the anticipation of receiving an extension to the mining concession. We certainly wouldn't want to put out research in the public domain which would have shown potential competitors where the highest concentrations of phosphate lie in the concession until the extension areas were secured.

I am very happy to announce that last week we were officially notified by the Mexican Government that the extensions had been

awarded to our subsidiary. These additional concession blocks are adjacent to the areas of high mineralization in the original concession area and add nearly 35,000 hectares to the original Don Diego mining concession. It is anticipated that these blocks will significantly increase the size of the deposit. Again, please remember to listen to the comments regarding Industry Guide 7 at the end of this call.

These new concession areas are important, not only because of the additional volume of rich mineralization in these areas, but because it also clearly indicates that the Mexican government has accepted our plans for expansion of the project.

Now that these areas have been secured, we are awaiting final feedback from one more stakeholder before filing. They have promised their response by next week. So after incorporating any new suggestions, we're anticipating being clear to file what we believe to be an incredibly robust and scientifically sound Environmental Impact Assessment. When we file the official document, we also intend to provide our shareholders with a 25-page English summary of the EIA for those of you who do not speak Spanish nor have the time to read through the original 4,600-page document.

We've had some very positive developments regarding potential strategic partnerships in the Oceanica project and we expect significant investment to flow into Oceanica in the coming months. As I mentioned earlier, this will put to rest any question about the real value of the deposit.

In closing, I would like to reiterate that we hear your concerns and we're in the process of transforming this business to address those concerns. Our Management team, our Board of Directors, our employees, colleagues, and partners believe wholeheartedly in our business and our ability to make it a profitable and an enduring business. We know we need to prove that to you, our shareholders, and we hope you will give us the opportunity to do just that.

Now, we're ready to open up the call to questions. Remember, you can submit questions through the web interface which allows us to contact you with answers later if we run out of time on the call. This concludes my prepared comments and I would now like to open up the call to question-and-answer.

I see that we already have several written questions coming in via the webcast system, so we'll try to take a mix of both oral and written questions. Perhaps we can start with some of the questions from our callers and then answer some of the written questions.

Operator?

Operator: Thank you, sir. We will now begin the question-and-answer session. If you do like to ask a question over the phone, please press star, followed by the one on your touchtone phone. If you'd like to withdraw your question, please press the star, followed by the two. If you're using a speakerphone, please lift up the handset before making your selection. Once again, if you're listening via the webcast, you may submit a question at any time by clicking the Ask a Question button at the top-right of your webcast player page. Once again, that's star, one for any questions at this time.

Our first question will come from Mike Malouf from Craig-Hallum Capital Group.

Mike Malouf: Thanks, guys. A lot of color; appreciate all the information. I wondered—maybe this is a good question for Philip. Can you talk a little bit about where you are now with cash, and when you said \$5 million immediate, am I assuming that that's coming in the next week, or perhaps you've even already drawn down on that. Just kind of give us a sense, as you look out over the next couple of quarters. You know, how cash in and cash out looks to you. Thanks.

Philip S. Devine: We published the cash position numbers as of June 30th. We're not going to be releasing daily cash position updates, but perhaps I could touch on a couple of your points. First of all, we have negotiated, a new loan agreement. The first 5 million of that loan agreement we expect to come in, in the coming days or weeks. But probably this month, in the month of August.

Secondly, we've drawn down an additional amount on the bank loan facility that we secured in the month of May, based on our cargo recovery results in recent weeks.

Then, we are—in terms of the coming month—looking at several different cash inflows, one being the sale of a stake in Oceanica or the repayment of the receivables that we have from the Oceanica subsidiary which amount to about \$11 million today.

We're also looking at, for this year, eventual monetization of the Central America cargo. Then, we're looking at several other potential financing opportunities.

Mike Malouf: That's great. Just a quick question on that. So where are we with regards to cash, if you want to call it cash burn, or just, you know, operational expenses. I think that before this, some of the changes that you've talked about or that Mark talked about on the call, we were looking at around \$5

million a quarter. Can you update on where that will end up shaking out? Once you give up—once you give the boat back? Thanks.

Philip S. Devine: It depends on which project we're conducting. If you look at the last three months of operations until June 30th, the operating cash use was about 2 million or 2.1 million per month. Going forward, it depends on the project. In that 2.1 million, we still had the Dorado Discovery vessel. That vessel, the termination will be in Q3 so we expect the full impact of that in 2015 and in the late months of 2014.

The Dorado vessel, we haven't put out exact figures of how much that costs per month. It depends whether it's moving or not. But it is significant. It's about 25% of our typical monthly expenditure.

Mike Malouf: Okay, great. Then just one last question. With regards to Oceanica—I know Mark, you talked about some of the strategic partners you're working to get together with you. Would you file this EIA—is the idea to file them with the partners as part of the EIA, or partner, or would you go it alone? Thanks.

Mark D. Gordon: Mike, the answer to that question is that'll be filed when it's ready for submission, which is very shortly. Other than that, I can't really provide any further comment.

Mike Malouf: Yes. Thanks a lot for taking my questions.

Mark D. Gordon: My pleasure.

Operator: Just a reminder, if you'd like to ask a question over the phone, please press star, one.

Our next question will come from Mark Argento with Lake Street Capital Markets.

Mark Argento: Yes, hi, good afternoon guys. Maybe you could help me better understand the Central America and the economics there. I know you guys have the—you get paid back out of first dollars, your—some of your fixed costs. Maybe Philip, if you can walk us through kind of the map, given the face value that has been reported. I'm thinking some of the core filings that have been recovered at this point. What does that mean in terms of dollars return to you? Let's just pick a number, \$25 million in value so far brought out. Then, you know, how that math works out.

Then secondly, maybe talk a little bit about historical go-to-market. How would you begin to monetize this with the receiver and better understand the channel and the timing around that? Is that a one-year, two-year,

five-year? To better understand how this actually could turn into actual real dollars for you guys.

Mark D. Gordon: Mark, this is Mark Gordon. You blended into an area of my expertise so I'm going to grab the question from Philip. Starting with the first part of your question, how the economics work. Odyssey is paid a specified day rate for every day the boat is committed to this project. You notice, if anyone has had a chance to look at the financials, there was a \$3.5 million credit to expenses in the quarter. That's a function of taking the mobilization fee that was due us which was a fixed amount, plus the number of days that we've been at work out there. Those dollars, as you mentioned, we get 80% of first dollars until all of that is paid to us.

I'd expect that number to be in the range of 5 to \$6 million before the end of the project, but if the project goes on a lot longer it could be a different number. But I think if we complete it inside this season, I think that's probably a good target. So you've seen \$3.5 million of that expense credit come in already.

The second part of your question about monetization, that hasn't been determined yet. We're really not in a position to speak to that. Our agreement under contract with the receiver is that we have a specified mechanism to monetize this cargo. It's possible you could see it move in bulk unconserved, and that would happen very quickly. It's equally possible that, to maximize value, all of these coins could be conserved and then graded and sold over a longer period of time. But of course we would only do that if the increase in the value more than compensated for the time value of money. In either case, based on the high desirability of these items, I wouldn't expect the sales cycle to be more than a couple of years and at the far end of the range.

Mark Argento: The \$3.5 million credit to expense, that's not the cash, that's on an accrual basis, right? So you haven't received any cash at all from either the creditor or from the receiver or anybody else. You basically have—you're footing the bill yourself and will get paid back when dollars flow back.

Philip S. Devine: Yes, that is correct. But we recognized a credit to expense of \$3.5 million and booked a receivable for an equivalent amount. With respect to our share of eventual cargo monetization proceeds of 45%, we haven't recognized any receivable nor any revenue in Q2.

Mark Argento: Okay, got you. All right, shifting gears over to phosphates and the Oceanica project. So, in doing some more work on the deposit, it sounds like the thing that's different here than maybe conventional wisdom, from what we can tell in talking to people in the industry, is that if the concentration levels are such that you're kind of laying out in some of these (inaudible) reports that the concentration levels are high enough where the ability

to mine is economically viable and to actually extract the phosphate and the math behind that, actually becomes incrementally more attractive given the high concentration level. Can you talk a little bit more about—you know, there's a lot of—obviously a lot of information out there, and too much to some degree. It's overly confusing. But to me, this opportunity, from your vantage point at least, to explain to us what is unique about this phosphate deal? You know, yes, it's been known to have been around for quite a long time, but why does it make sense now? Maybe touch on kind of some of the concentration levels and what that means to the potential value here of this project?

Gregory P. Stemm: Okay, this is Greg and I'll take that because I've obviously been working a lot on it lately. There are three things that really contribute to the value of the deposit. The first, as you mentioned, is the grade. This is a very high grade and it can be taken up a notch by a very simple process of screening. The other important part of that grade is there are high-grade deposits around the world, but many of those high-grade deposits require removal of huge amounts of overburden which make it very expensive to get to the high-grade material.

On our project, the high-grade material is in the first couple meters of the surface. In many places there's virtually no overburden. So in land mines where you may have as much as a 5-to-1 or 7-to-1 waste-to-ore ratio, we're at less than 1-to-1, which translates into the second, very important component, which is your cost. The op ex and cap ex for mining this deposit and converting it into a marketable project make it among the lowest cost projects in the world. It is much less expensive than virtually any of the new projects that we've seen coming online anywhere in the world. So the cost is significantly less, the grade is higher.

The third important aspect of this is its location. We have a real issue here in the Americas, and that is that we get virtually all of our phosphates from Florida. There have been various estimates made about how long the phosphates here are going to last. The phosphate deposits in Florida could last, for 10 or 15 more years or even longer, but the problem is, everywhere that they're mining in Florida requires the destruction of additional environmentally sensitive wetlands. Every project that moves forward in Florida is challenged by a number of different NGOs.

So, the plan B, after we don't have phosphates to feed all of North America from Florida—would be to import them from as far away as Morocco. So location is absolutely critical, because that alone can save 20 to \$30 per ton, not to mention the strategic aspects of having it close by. On top of that, if you add the political considerations, which are very important—those of you that have been paying close attention are aware that the Mexican government has recently announced an initiative to dramatically change their agricultural business by increasing their own internal access to fertilizers. Pemex

recently made a significant investment to acquire a urea plant to be used for fertilizer. Mexico imports a huge amount of their fertilizer, and most of the agricultural lands in Mexico are significantly under-fertilized. So, the other important aspect of our location is being right there in Mexico. We fulfill a really important strategic initiative by the Mexican government who really want to see this project move forward.

So, a combination of the grade, the cost and the location make this, I think, one of the most attractive new projects in the world, especially when you add to it the size—which, already, with the work that we've done, gives it a 50-year plus mine life, which justifies the cap ex necessary to build any type of processing plant in Mexico. All those things combined make this a very attractive project and one that we have gotten great reception from, in front of people that we think are going to be major potential important partners with us. I hope that answers the question.

Mark Argento: Sure. Then just dovetailing on that. I know you've—it sounds like you've had conversations with strategic—I know JP Morgan is involved in giving their expertise in the sector—segment. What are—you know, maybe you could talk a little bit, obviously you can't get into specifics with the state of those conversations, and juxtapose that to timing in terms of strategic asset sale. You know, the one thing we've always seen is, you know, when small companies are working with big companies, they tend to take their sweet old time, you know, regardless. Maybe you could better walk us through, you know, how extensive have been the conversations, and more importantly, where—is there a drop dead date here that you move forward regardless of if you have a strategic partner or not and get the clock working in terms of your environmental impact filings?

Mark D. Gordon: Yes, Mark, it's Mark Gordon. There's not a lot we can say, obviously, in detail about the current state of discussions with strategics. But I can tell you one thing that's really attractive about this deposit, is that it takes advantage of existing dredge equipment that's readily available. We have one of the best partners in the world who has lots of capability. So we could go this on our own with a pretty compelling business plan. You know, I think if we had the right partner and they came online soon enough, certainly that would be a great thing. But we're not going to be beholden to anybody to move this project forward.

Mark Argento: All right, thanks for the comments. Thanks.

Mark D. Gordon: I promised when I started this Q&A that we'd take a couple of you that are sending your questions in via email, so let me jump on a few of them. There's a Campbell who asked, regarding SS Central America monetization, what is the risk that precious metal prices will fall?

Well, I certainly don't know the answer to the question about what—the risk that precious metal prices will fall, but I'm happy to report that there's not a very direct correlation between precious metal prices and the prices paid for collectible coins, often referred to as numismatic value.

The other thing that's really exciting about this project for our client, RLP, and for us as their partner, is that there is a very established market for Central America collectible coins and they're still in hot demand. In fact, I was at a coin show this past week where some of these items were being bid on at auction and fetching very high prices. So, again, directly answering your question, Campbell, it really doesn't matter what happens with precious metal prices because there isn't a direct correlation to values being realized for these types of numismatic, or collectible products.

There's another question from R. Pritch (ph). That question is, with Royal Boskalis as a dredging partner, would you have them review the Oceanica EIA?

I'm happy to report that our partner Royal Boskalis has been intimately involved in every step of the way in everything we've done with this project, including the EIA. What's really important actually is they have a wholly owned subsidiary in-country, so it's actually their Mexican subsidiary that's working directly with us.

Another thing I'd point out and one of the real attractions to why we went with Royal Boskalis, besides the fact that they're one of the best in the world at this, is that Mexican subsidiary who's done over 200 dredging projects in Mexican waters using substantially or exactly the same equipment over the past 20 years, and all of those 200 projects required environmental approval, and all of them have received the requisite environmental approval. So I hope that answers your question.

I don't know if there's any others. Which one is...

Female Speaker: David Lewis (ph).

Mark D. Gordon: Okay, David Lewis asked two questions. Why can't the Company provide more regular updates on SS Central America recoveries?

I'll answer that one first, David. The answer is that, again, this is not Odyssey's project; we're a contractor to the court-appointed receiver for RLP, and all of the updates are being reported via the courts in Virginia. We submit update reports every 25th now of the month, and those reports are immediately put up on our website. So if you haven't seen them already, I'd encourage you to go look at the three that are up, and the next one will be up shortly within a couple of weeks. As was mentioned by Philip and I

think echoed by me, it's been a good period of time for recovery so I'm excited for you to see those results when they're published.

The second question from David was, how long is it expected, after EIA is filed, before a decision is made by the Mexican government?

David, the answer to that question is the government has a statutory 60-business day review period. So that's roughly 90 calendar days. So that would be our expectation. It is possible they could ask for one additional period if they had questions, but our best estimation right now is that, within about 90 or so days of submitting we would expect to get a response.

Are there any more?

Female Speaker: I think the Operator has them.

Mark D. Gordon: Operator, do you have any questions in your queue?

Operator: Yes, and due to time constraints, we do have time for one more question, and that question today will come from Rob Johnston with RJFS.

Robert Johnston: Yes, to all of you, question is, there was a filing deadline time on behalf of the CADG Group, the Columbus Group, I believe after the July 9th court decision—has that expired, or did they file an appeal, or have they not filed an appeal, is that window still open? What's your commentary on that?

Mark Gordon: Yes, the CADG, the company who challenged the receiver's right to salvage the cargo, as many of you may know, lost their bid to replace the receiver as salvor in possession last month. Consequently, we believe this is now a moot issue and the challenges the salvage operation and the receiver's rights to the project have been resolved. In addition, the court last week dismissed the claims of the only three new parties who tried to file claims to the shipwreck cargo and no legal appeal has been filed.

Robert Johnston: So we are clear today on legalities like that or that type of challenge than we were 60 days ago or 30 days ago?

Mark Gordon: Correct.

Robert Johnston: Okay, great. That's it.

Mark Gordon: Okay, thank you.

Robert Johnston: Okay.

Mark D. Gordon: That's it, no other questions?

Operator: At this time, this concludes our question-and-answer session, and I'd now like to turn the call back over to Mr. Gordon. Sir, please go ahead.

Mark D. Gordon: Sure. I just want to thank each of you today, and I especially want to thank you for your insightful questions and comments. In closing, I'd just like to say that I am really excited about the new challenge that's been put in front of me by Greg and our Board, and I look forward to having a significant impact. I would just ask you to judge us by facts, not by rumor and innuendo.

So with that, I am done. I thank each of you and thanks for participating today.

Operator: Before we conclude today's presentation, I would like to take a moment to read the Company's Safe Harbor statement that provides important cautions regarding forward-looking statements.

Odyssey Marine Exploration believes the information set forth on this call may include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1993 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, 2013, which was filed with the Securities and Exchange Commission on March 17th, 2014. 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 today's call.

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 assumption will prove true or that its projected results will be achieved.

I would like to take a moment and read an important cautionary note to US investors. The US Securities and Exchange Commission 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 on this call, such as ore, measured, indicated, and inferred resources, which the SEC guidelines strictly prohibit us from including in our filings with the SEC.

Inferred material 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. US investors are cautioned not to assume that part or all of the inferred mineral resource exists, or is economically or legally mineable, and 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>.

I would like to remind everyone that this call will be available for replay through September 11th, 2014, starting in about two hours. Please refer to Odyssey's second quarter financial results press release for telephone and webcast replay instructions. The replay information will be also available via the Company's website at www.odysseymarine.com.

Thank you for joining us for today's presentation. This concludes today's call. You may now disconnect.

Odyssey does not undertake to update any forward-looking statements as a result of new information or future events or developments.