

**Odyssey Marine Exploration  
First Quarter 2014 Financial Results  
May 13, 2014**

**Operator:** Good morning, and thank you for joining us today to discuss Odyssey Marine Exploration's First Quarter Results ended March 31<sup>st</sup>, 2014.

With us today are 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 June 13<sup>th</sup>, 2014, starting later this evening. A webcast replay will also be available via the link provided in the Company's earnings release, as well as available on Odyssey's website at [www.odysseymarine.com](http://www.odysseymarine.com).

During this call, you can also send written questions by sending them via the webcast system. We might 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 President and Chief Operating Officer of Odyssey Marine Exploration, Mr. Mark Gordon. Sir, please go ahead.

**Mark Gordon:** Thank you, Operator, and thank you, everyone. Good morning, and we appreciate you being here and joining us today. Our last call was less than two months ago, but many positive things have happened in that short period of time. As you saw in the press release this morning and in our 10-Q filed yesterday, we have made strong progress this past quarter in our core activities of mineral exploration and shipwreck cargo recovery. Philip will walk us through the financials in more detail in a moment. What I will discuss in further detail later in this call, are several important events and facts.

Number one, as reported last week, we have begun work on the SS *Central America* shipwreck, and in our first two-hour reconnaissance dive to the site, we recovered 60 pounds of gold. This initial dive allowed us to confirm that the site has remained undisturbed these past 20 years.

We have returned to the site since that first dive and we continue to make excellent progress.

Number two, in the first quarter of 2014, we reduced our financial debt by over \$13 million, or a reduction of 61%. We have completely retired the \$18 million of convertible obligations issued in 2011 and 2012. Last week, we secured a new \$10 million general purpose credit facility at a competitive rate of 500 basis points over LIBOR from our long-established banking partners, which is reflective of their comfort with Odyssey's creditworthiness.

Number three, this past quarter, we published the first technical data on the phosphate deposit controlled by our subsidiary, Oceanica Resources. We continue to make great strides in the validation and development of this exceptional deposit. But before I get into the business developments further, I'd like to turn the call over to our CFO, Philip Devine, to walk us through the financial results for the quarter. I'll then cover some of our key operational highlights, and finally, I'll provide an outlook for the remainder of the year.

With that, Philip, I'm turning the call over to you.

**Philip Devine:** Thank you, Mark. This morning I will cover some of the financial highlights from the first quarter, but I encourage everyone listening to this call to read our 10-Q, which was filed earlier yesterday.

Our revenues in the first quarter of both 2013 and 2014 consisted primarily of the sale of gold obtained by refining the Gairsoppa silver recovered in 2012 and 2013. When we refined the more than 110 tons of silver in the second half of 2012 and '13, this refining process generated a by-product of several kilos of metal. This byproduct was then further processed by specialized refiners to obtain gold that was sold in the first quarter of 2013 and 2014. All gold from the refining process has now been sold. Also concerning our revenues, I can comment that no revenue from the *Central America* project was recognized in the first quarter of 2014.

Our marketing, general, and administrative expenses increased by \$223,000 in the first quarter of 2014 as compared to the same period a year ago. The increase is primarily attributable to a full quarter of consolidated administrative expenses for our subsidiary Oceanica resources. Odyssey only became a shareholder of Oceanica and its subsidiary at the end of the first quarter in 2013 and thus incurred almost no administrative expenses in that quarter in 2013. However, in 2014, Odyssey consolidated a full quarter of Oceanica results in its statement of operations.

Operations and research expenses increased by nearly 1.4 million in the first quarter of 2014 as compared to the same period a

year ago. This increase is primarily due to the repair and maintenance expenses incurred in 2014 for the periodic five-year class inspection of the *Odyssey Explorer* vessel, and to expenses relating to our mineral exploration activities. As mentioned before, Oceanica, our phosphate mineral deposit subsidiary, was only operational and consolidated for a few days in the first quarter of 2013, whereas Oceanica had a full quarter of operations in 2014.

Moving down our statement of operations, our interest expenses continued to decrease in the first quarter of 2014 as we continue to reduce the outstanding balance on our convertible debt that has typically carried a higher interest rate than our bank debt. Our net result for the first quarter of 2014 was similar to the first quarter of 2013 with a deviation of just over \$100,000. Our net result per share stayed the same in both quarters.

In terms of the balance sheet, the main changes at March 31<sup>st</sup>, 2014 as compared to December 31<sup>st</sup>, 2013, were that our cash balance and financial debt balances were reduced. As Mark mentioned, we paid off 61% of our financial debt balance in this quarter, thereby reducing our financial debt by over \$13 million. This included prepaying the \$10 million due on the bank loan that was scheduled to mature in July 2014. Cash was also used in the quarter to fund operations as we prepared our vessels for the 2014 projects.

Subsequent to the first quarter, we had the following important financial events:

We completed the final payments on the \$18 million of convertible debt that we issued in November 2011 and May 2012. That convertible debt has now been fully retired.

This month, we secured a new \$10 million general purpose credit facility with Fifth Third Bank. We have not needed to draw down on any of this loan amount as of today. The loan amount is available for 1 year and carries an interest rate of approximately 5.15% at today's 1-month LIBOR rate. Interest is payable monthly and the principal amount is payable at maturity in May 2015. This credit facility is available for all cargo recovery projects we undertake during the next 12 months.

With our reduced debt balance, good news on the Oceanica phosphate deposit data, and confirmation of gold on the *Central America* shipwreck, other favorable and non-dilutive loan facilities have been proposed to us. We will continue to evaluate these options as we go forward. We believe that our cash on hand and these other cash sources will be sufficient to cover our costs and pursue our planned projects for the rest of the year.

Mark will elaborate further on the *Central America* project; however, from an accounting viewpoint, I can perhaps add a few points of clarification.

All expenses related to the *Central America* project will be expensed in the periods they are incurred. We started incurring expenses for this project in the first quarter of 2014 while preparing and moving the vessel from the UK to South Carolina.

Similar to the *Gairsoppa* project, when we are paid our mobilization fee and pre-negotiated day rate by the Receiver out of the amount coming from the proceeds of monetization of the cargo, this amount will be credited to the appropriate expense accounts in the period when the payments occur, rather than being recorded as revenue. Our share of proceeds after being paid our fees will be recorded as revenue.

The valuables recovered will not be carried as an asset on our balance sheet and will not impact our revenues until such time as we receive our share of the proceeds from the monetization. We will also not realize any income tax liabilities until such time as we realize revenues from the project, and in answer to some questions we have received on this issue over the past week, taxes will not be assessed on the Receiver prior to any distribution of proceeds to Odyssey. Furthermore, if we were to incur any tax liabilities related to these proceeds, we will most likely be able to offset any tax liabilities against our tax loss carry-forward.

For security reasons, there may be a time lag between the date we recover valuables and the date it is communicated to the market. Odyssey will not be reporting on the potential value of the recovered gold, and we will not report on the quantity of gold observed on the shipwreck site, but not yet recovered. Although monetization of the recovered gold is not expected to occur in the second quarter of 2014, we expect that cash inflows from the new bank credit facility will commence in the second quarter and will exceed the cash outflows for the current work being conducted on this shipwreck.

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

**Mark Gordon:** Thank you, Philip. Odyssey's deep-sea expertise and equipment is used in two key areas: shipwreck cargo recovery and mineral exploration. Let me start with the shipwreck recovery business.

In 2013, we responded to a competitive proposal to carry out an archaeological excavation on the SS *Central America* shipwreck. We were one of nine bidders for the project, and since there was no guarantee of being selected for the project, we had originally planned to be working on commodity shipwrecks in the first half of 2014. In the first quarter of 2014, we were awarded the exclusive contract to perform the archaeological excavation and recovery of the *Central America* shipwreck. Given the known location of the shipwreck, the known cargo, and the Receiver's requirement to begin in April

2014, we chose to commence the Central America project on April 10<sup>th</sup> of this year.

Since the *Central America's* valuable cargo is anticipated to be highly liquid and there is already an active and transparent trading market for *Central America* coins, bullion, and rare nuggets and dust, we felt that the *Central America* project fit the model of our commodity recovery projects of high value cargos that can be efficiently monetized.

Let me talk a little more about the specifics of the *Central America* shipwreck project. The SS *Central America* was a 280-foot side wheel steam ship that was caught in a hurricane and sank in September 1857 off the coast of South Carolina. This vessel was a key part of the regular route for transferring gold from California to the US East Coast. Operating during the Gold Rush era, the ship completed 43 roundtrips from New York and Panama in the 1850s. It is estimated that she carried one-third of the entire gold output during the years she was in operation, 1853 to 1857.

The gold carried on this vessel was mostly recently mined gold coins—I'm sorry, recently minted gold coins, gold ingots, gold nuggets, and gold dust. The sinking of the SS *Central America* was a tragic event, and it's believed that the large loss of gold on the ship contributed to the Panic of 1857 that shook the confidence in the banking and economic systems in the United States.

The SS *Central America* also had an important chapter of its history written approximately 20 to 25 years ago. A group of mainly Ohio-based researchers and investors discovered the shipwreck in 1988 and made recoveries from the shipwreck through 1991. After the initial recovery of over 2 tons of gold, there was a long drawn-out process of litigation that tied up the project and the gold for many years. What resulted is that the shipwreck site has remained untouched since 1991. In July 2013, a Judge in Ohio appointed Ira Kane as Receiver to revive the *Central America* project and to seek to return funds to the original investors and creditors.

After an extensive and competitive bidding process, the Receiver selected Odyssey Marine Exploration to conduct the new phase of scientific and archaeological studies, excavation, and recovery operations on the SS *Central America*. Under our contract with the Receiver, we'll be paid 80% of the recovery proceeds until we receive a fixed mobilization fee and a negotiated day rate. After that, we'll receive 45% of the gross recovery proceeds, with the Receiver responsible for any payments to any and all claimants.

On April 15<sup>th</sup>, we performed a 2-hour reconnaissance dive to the shipwreck site to evaluate the current condition of the site. During this short dive, we confirmed that the site had remained undisturbed since 1991.

Images from 1991 matched the shipwreck site appearance in 2014. We also picked up samples of gold, a bottle, a piece of pottery, and wood that were clearly visible on the surface of the site. We recorded the exact location where each item was retrieved. These items were subsequently conserved and handed over to the Receiver, who in turn submitted these items to the Federal Court in Virginia.

We have returned to the shipwreck site since the initial April 15<sup>th</sup> reconnaissance dive, and we continue to work on the site at this time. We have recently completed the pre-disturbance survey of the site using both hull-mounted and ROV-mounted multi-beam technology, and we've taken more than 12,500 photographs for the pre-disturbance photomosaic. We have begun recovering some surface artifacts and will be continuing the archaeological excavation, recovery operations, and scientific experiments on the site for the next few months.

I've been asked by many people when we will provide updates on the project and what the updates will contain. Please remember that we are working for the Receiver on this project, who in turn is under the jurisdiction of the Common Pleas Court of Franklin County, Ohio. The shipwreck itself is under the jurisdiction of the US District Court for the Eastern District of Virginia. So, in addition to the normal restrictions on announcements of cargo recovery for security reasons, we'll also need the permission of the Receiver and the courts must have proper notification as well. We will be following our standard policy not to comment on current operations or port calls other than through press releases or SEC filings as may be required.

We also won't be commenting upon any pending matters in the Ohio or Virginia courts. The Ohio court approved our agreement with the Receiver, and the Virginia court has ordered that *Odyssey* should continue with the salvage operations, and we appreciate that the Judge in the case noted confidence in *Odyssey's* abilities and the Receiver's selection of *Odyssey*.

Work at the site is continuing as planned and we're proud to play an important role in the recovery of the historic and scientific knowledge and the economic value from one of the most important shipwrecks in history, the *SS Central America*.

Now, let me discuss some of our other business activities. We're taking delivery this week of a new advanced deep-water search system that will be used in our commodity shipwreck program and for other deep-water activities requiring 6,000 meter depth capability. If the *Odyssey Explorer* had not been working on the *Central America* project, it would have been deployed for search and inspection activities in our commodity shipwreck program with this new equipment and our new 6,000 meter inspection-class

remotely operated vehicle. We are evaluating several possibilities to move the commodity shipwreck program forward, including potentially utilizing the *Dorado Discovery* vessel for this purpose if current contracts and projects under consideration are not accepted. It is also possible that we might utilize a leased vessel for this program.

Some of you have asked recently if there is news concerning the HMS *Victory* shipwreck project in the UK. We are the archaeological contractor to the Maritime Heritage Foundation in the UK, which is the owner of the *Victory* shipwreck. The Foundation and the UK government representatives have let us know that they have had numerous constructive meetings in recent months. We are hoping to receive instructions from the Foundation to commence work this year.

Some of you have also recently asked if Odyssey is going to be involved in the search for the missing Malaysian airliner flight 370. The Malaysian airlines incident is a personal tragedy for many people and a mystery to the aviation industry. We believe our team and equipment have the capacity to help in this international effort. We may be available to help in the search and eventual recovery of the airplane if we are called on to do so. We successfully have demonstrated our abilities in this domain several years ago when we located and provided extensive documentation of the Ethiopian airliner that crashed off the coast of Lebanon. However, there is no clarity on the next steps of this international effort at this time, so we cannot comment further.

Concerning our mineral exploration business, we're extremely pleased with the progress being made on the Oceanica front. Oceanica is our majority-owned subsidiary that controls exclusive rights to a seafloor deposit of phosphate located in the Americas. Oceanica is now putting the finishing touches on an extremely well-researched and thorough environmental filing for submission to the government. An extensive amount of data and results of scientific investigations have been synthesized, translated, and incorporated, and we expect the official submission to be filed shortly.

My lawyers tell me that before I get into the discussion of Oceanica and the details of the deposit, I need to remind all of you of the relevant disclosures that will be read at the end of this call.

With that said, environmental scientists and consultants, who have been brought into this project from around the world, have indicated that based on the results of the extensive environmental sampling, plume modeling, ecotoxicology studies, and other reports from leading independent laboratories, scientists, and subject-matter experts, they are confident that minimal environmental impact will occur as a result of this operation. Over the past few months, Oceanica has been on a proactive outreach campaign to work with the government and local communities

concerned with this project. To-date, these efforts have been instrumental in building strong supporting relationships. It would be inappropriate for us to comment further before Oceanica has made their formal submission to the government.

But as we noted back in March, the deposit is located in waters 70 to 90 meters deep and it's centered approximately 40 kilometers offshore. Given the location and the water depth of the deposit, we can use existing technologies and equipment, such as traditional dredge ships, for the extraction process, and engineering studies indicate that we can operate on a very cost effective basis. In fact, we believe that given these factors, this project could be among one of the lowest production cost phosphate extraction operations in the world.

The preliminary assessment prepared by an Independent Qualified Person who has extensive experience with phosphate mines worldwide, suggests that we have discovered a major phosphorite deposit in the Americas and one of the largest new exploration and development projects in the world, with significant strategic and economic ramifications. The preliminary assessment released in March, which was prepared by an experienced and independent geologist following industry-accepted protocols, and using data produced from drill cores tested by a specialized independent laboratory, noted that number one, the measured and indicated resources total over 273 million ore tons at more than 18.5% P<sub>2</sub>O<sub>5</sub> concentration. The inferred resources are additionally nearly 232 million ore tons at more than 20% P<sub>2</sub>O<sub>5</sub> concentration.

This preliminary data covers only a portion of the licensed area. Also of importance is that most of the six meter—I'm sorry, most of six-meter drill cores in the primary deposit ended in heavy phosphate sedimentation. Both of these facts indicate that the deposit could be significantly larger than shown in the initial 43-101 report. We expect to have an updated preliminary assessment later in this quarter. As more of the core data is analyzed and synthesized, we would expect to see an increase in the amount of measured and indicated resource.

The public release of the initial preliminary assessment has generated interest from the industry and JPMorgan continues to work closely with us on this project. We've been receiving outstanding advisory consultation from the most industry-experienced personnel in JPMorgan's New York offices.

As we look ahead to the balance of this year, we're excited to continue and complete our world-class archaeological excavation and scientific experimentation at the *SS Central America* site. In addition to the great science, our first few weeks of work on the site have bolstered our confidence

that we will be able to generate an economic return for both RLP and Odyssey investors. I also believe that we will be engaged in one or more additional shipwreck projects this year.

Should the *Dorado Discovery*—which you will sometimes hear me refer to as the DD or the Double D—not be engaged on a paid contract, either in the mineral exploration realm or involved assisting in the search for missing Flight 370, it's our intention to re-commission her for duty in our 20<sup>th</sup>-century commodity recovery program. While we still need to acquire an even larger ship in order to carry out bulk commodity recoveries, we do have additional 20<sup>th</sup>-century bullion shipwreck targets that could be prosecuted, that would be well within the DD's capabilities.

So with that, I now conclude my prepared comments and as we get ready to move into the question and answer session, we actually have some written questions that were posed this morning, and I'll quickly go through those before we open the call to further Q&A.

So the first question was: Does the Fifth Third \$10 million credit line collateral requirements apply before or after your 45% share of *SS Central America's* potential recovery?

The answer to that is that the new \$10 million credit facility we announced yesterday covers any shipwreck cargo from any of our shipwreck projects over the coming 12 months. We can draw down on the credit facility if we have valuable recovered cargo on the deck of our recovery vessels in the US, in the UK, or anywhere else in the world we may be operating. The amount the Bank will require as recovered cargo will differ by shipwreck because the cargo and the financial terms of each shipwreck are different. If we talk about the *Central America* shipwreck, our share of the total proceeds is in excess of 45% because we receive 80% of initial proceeds until our pre-agreed mobilization fee and day rate is fully covered, as I mentioned earlier.

The Bank credit facility will obviously take into consideration Odyssey's potential share of the gross proceeds, whether it's the *Central America* shipwreck, or other shipwreck projects we work on during the next 12 months. The loan facility is already in place. The Bank has offered for us to draw down on the first amounts last week, but as Philip mentioned during his update, we were not in need of a draw at this point. We are comfortable, and I'll underline, maybe I'll even say we are very comfortable, that based on our results to this point, we will be able to draw down on the credit line as needed.

The second question posed this morning was: How long will the *SS Central America* archaeological site mapping take? The second part of that question is: Will the need to conduct proper archaeology prevent recovery of valuables in the near term?

The answer to this question is the pre-disturbance survey has been completed, as I indicated in my update. The archaeological studies will continue throughout the excavation and will continue long after the off-shore work is completed. There will be no shortcuts when it comes to the archaeological work, documentation, and conservation conducted by Odyssey. Representatives of the Receiver are also on board our vessel and are observing the 24-hour-a-day operations. With that said, one of the first activities that are undertaken after the pre-disturbance survey is to recover artifacts of value lying on the surface before excavation of the site.

Next question was: What were the terms under which Odyssey converted the Neptune \$500,000 note from Q3 2013. The second part of that question is: Did the Company convert that note into A shares at \$12 a share?

The answer to that question is simply that Odyssey converted the \$500,000 loan into 5,225 preferred shares. This was outlined in our Q. These preferred shares can in turn be converted into 522,500 common shares at any time at the sole discretion of Odyssey with no further consideration paid.

Then the final of the written questions I've been handed from this morning is: Why has Odyssey not filed a NI 43-101 report as other mining companies do?

The answer to that question is an NI 43-101 is a Canadian regulatory document required of public companies on the Canadian exchange. The US Securities and Exchange Commission—and I'm going to underline this—does not allow exploration-stage mining projects to include NI 43-101 reports in their SEC filings. In order to provide information in a standard format, we have chosen to comply with NI 43-101 standards in the preparation of our information. We have published the summary results from the NI 43-101 compliant technical report/preliminary assessment. We expect the numbers in this initial report to increase as additional data is received from the testing facility. Again, I mentioned that in my comments earlier. All of the published data was reviewed by an independent geologist who is a Qualified Person under Canadian Mining Industry Standards.

With that, I think that exhausts the list of written questions posed this morning and handed to me, so, Operator, if you'd like to open the call up for questions, we'd be delighted to take them.

**Operator:** Thank you, sir. We will now begin the question and answer session. As a reminder, if you have a question, please press the 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 speaker equipment, you may need to lift the handset before making your selection. If you're listening via the webcast, you may submit your question at any time by clicking the "Ask a Question" button on the top right of the webcast player page.

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

**Mike Malouf:** Great. Thanks for taking my questions, guys. I guess the first question I have is, you know, you sound pretty comfortable with regards to the balance sheet. I think there's obviously a lot of worry that, you know, for some reason you're going to run out of cash, but this Fifth Third facility will certainly help. I think you're working on some others. I'm just wondering if you can just give us some color on where you're at now, and, you know, and why you feel so comfortable with some of these other opportunities.

**Philip Devine:** Okay. Thank you, Mike, and good morning. First of all, there were some comments on the internet this morning about any dilutive operations in the future. Let me start off by making something very clear. We have no plans to do any equity raise with Odyssey stock. Concerning your question specifically, we believe that the cash we have on hand from operations and other non-dilutive financing alternatives will be sufficient to fund our 2014 plans and operations.

You mentioned the \$10 million credit facility. As Mark mentioned, we can't get into the details of what we have seen or recovered to date on the *Central America* project, but just to say, it's progressing very well. We are confident that that loan facility is available to draw down, and we may do so in the near term, and the bank, as I mentioned earlier, already offered us to draw down some first amounts last week.

We have several other non-dilutive financing alternatives being proposed to us. These do not involve any equity of Odyssey, so they're non-dilutive. They are at good terms, and we are looking at the different alternatives right now. So given all of those, you know, the good data on Oceanica, the good data coming out of the *Central America*, we are confident that we'll have enough funds from our operations and these other financing alternatives for the rest of the year.

**Mike Malouf:** So none of the plans involve any stock offering of Odyssey stock?

**Philip Devine:** That is correct.

**Mike Malouf:** Then, with regards to the loan agreement, I know that there's talk specifically on the advances about getting an appraisal on some of

the gold bars. I know some of those—some of the artifacts that you brought up are gold bars, so. How long does that take to get an appraisal for you to actually get the cash in hand?

**Philip Devine:** The agreement we have in place with the bank is that once it's on deck, we follow our normal procedures, archaeological procedures. We document it, take high definition photos. Based on those photos, the descriptions of the bars and so on, somebody onshore can look at those documents and give a valuation for them, so we don't need to send an expert out to the ship every time to value them. That can be done remotely. Once we have that expert's documentation and valuation, which is retail value, we can supply that to the bank to get the draw-down on the gold bars or the coins.

**Mark Gordon:** I'd like to add on to what Philip just answered in that question there. Again, I want to remind everybody, this loan is not about the *Central America*. It's about all of our shipwreck operations, so for instance bullion recoveries, which could happen in the future. That's very straight-forward, it's simply the amount of weight being recovered. But as I switch back, if *Central America*—the bars recovered from the *Central America* are being considered, there we have the advantage that there's a very active secondary market and established pricing, so it makes those very easy for experts to value.

**Philip Devine:** When we do a recovery project, we don't know what is going to be exactly on each shipwreck site, so the loan document that you saw disclosed talked about an amount for ingots, gold ingots, and an amount for \$20 coins. Clearly, if we find other high-value items in large quantities, we can go back to the bank with an estimated value and draw down on those other items as well.

**Mark Gordon:** The final thing I want to say on this one is—I want to be very clear. Just as the past two years with our *Gairsoppa* operations, the financing we had there, we're leveraging our rights to compensation under the agreement. We are not collateralizing any of the actual recoveries. We do not own or have title in any of these cases when we're working with a partner to the items being recovered. We are simply being compensated as a contractor, and what the bank is loaning against are our rights to compensation under the agreement, just to be clear.

**Mike Malouf:** Got it. Okay. So since you've completed the pictures and survey work, and I know that based on some of the disclosures you made earlier this month, that there was some other, basically other gold and valuables on the floor. So, is it safe to say that you would now be going after those and putting those on the deck? I guess you could almost draw the conclusion that you've probably already called the bank with some of those, even though you

can't disclose them to us, and that was the predecessor for the ability to draw down on the line that you have no need to do that right now?

**Mark Gordon:** That would be a very good assumption.

**Mike Malouf:** Okay, great. Then just one other question with regards to Oceanica. I know you've talked a little bit about, you know, the loan or the receivable that you have with them. You know, is there a chance that we can get some cash into Oceanica in the near term?

**Mark Gordon:** Yes, on that part I'll jump in, Philip. We actually are currently working with Oceanica's management on a potential financing mechanism for them. I think we'll probably have more to say about that in the June/July timeframe, but just to link it back to Odyssey, obviously, we're hopeful that if they can get their deal done at the right valuation, which we think is very possible, then obviously, we have a receivable that's due us, so that would actually result in cash coming to Odyssey at some point relatively soon thereafter.

**Mike Malouf:** Great, that's helpful. That's all I have. Thanks a lot.

**Mark Gordon:** Thank you.

**Operator:** Thank you. The next question comes from Mark Argento from Lake Street Capital Markets. Please go ahead.

**Mark Argento:** Yes, hi, guys. I just was hoping maybe we can get a little more granular because, you know, this whole concept of having to raise equity, not having to raise equity, it seems like a pretty fundamental question and a very fundamental answer. I mean, you've got a certain amount of cash burn to operate and I'm—you're assuming some certain level of revenue.

Assuming the revenue doesn't—isn't achieved, toss out the cash burn. You know, what are some of the potential—you know, you say no equity raises, but is it safe to assume that at some point you might need to raise equity if you don't—I mean, it seems fundamental to ask this question or basic to ask this question, but obviously, if the revenues don't meet the expenses, then there's going to be some need for capital. You know, instead of—maybe you could kind of get into the weeds a little bit as to the sources of revenue and if the—well, we know where, I guess, the sources are. But if you come up short in terms of revenue, you know, what are your potential sources of capital that you guys can tap to keep this going? Because we're debating if you need to raise capital or not, and it's just kind of—you know, the debate's getting a little long in the tooth. So maybe you could kind of drill it down a little bit for us so we can, you know, quit beating a dead horse here.

**Mark Gordon:** I'll start and I'll let Philip jump in on more specifics, but to take the first part of the question, the obvious sources of revenue this year will be any proceeds from monetization from our work as a contractor on the *Central America*. I'm limited in terms of how detailed I can get in terms of our agreement with the Courts, but there is a—what I can say is there is a provision for a relatively quick monetization if the cargo is sold as an intact collection, which is the first objective for the Courts. That could happen within the calendar year, so obviously that could be an element of revenue that—for us.

Also, as I mentioned during my update, we're actually actively bidding on several different contracts for the *Dorado Discovery*, the DD, and those would be revenue-generating events as well. I mean, when you think about it—maybe, Philip, you could comment since you have better touch-on on the budget. You know, if you look at the total amount of cash we need to operate through the year, which I guess is Mark's question, you know, based on what we have already in facilities, what we might have in revenue, what else is out there?

**Philip Devine:** So perhaps to comment, I mean, we do have, internally, several budgets. You know, there's the "Continue as-is, all expectations are optimistic." There are fallback budgets, which are being reviewed also by the Board, which we call our contingency budgets. So all of the different scenarios have been envisaged, and all of them do not require any equity raise for 2014. So that, I think that's clarified.

Now, also in the terms of the cost, Oceanica last year was not costing as much in the first quarter, but starting in the second quarter and thereafter was doing a lot of drilling activity. Oceanica's in a different phase this year and rather than doing the drilling, it's mainly working on all of the permitting and engineering studies to move the project forward. More on-shore work rather than offshore work, so those will reduce the cost as well.

We have different opportunities for our ships. I think, as Mark mentioned, the plan is for the *Odyssey Explorer* to keep working on revenue-generating projects, most likely being the *Central America* for the next, let's say three to five months, and then, if we get the go-ahead, could be the *HMS Victory* in the UK or commodity shipwrecks in the Atlantic. The other big expense for us is the *Dorado* vessel. There, we have several opportunities we're bidding on to charter it out, or we can also redeploy that one on revenue-generating commodity shipwrecks.

So if you look at our expenses, there are ways that we can generate more revenues. The expenses compared to last year, especially in the Oceanica realm, we expect to be coming down in the second quarter. So with all of that given, I think, coming back to your question, there are no plans to issue equity, and the financing alternatives we have, you know, between Oceanica, our shipwreck projects, and we also have a lot of

unencumbered assets, all of our equipment and so on, there are lots of alternatives that we can pursue at this time.

**Mark Gordon:** Yes, I'll just add, and I think we mentioned it, we're actually actively in discussions on several of those other opportunities. One other thing to remember, is last year, we had an extraordinary high cash burn related to the *Gairsoppa* recovery in these quarters, and roughly right, the *Seabed Worker* cost something like three times as much as what our budget is currently for operations. Then just for people—you know, who are looking at prior-year's operations. Understand that our costs are going to be significantly less and we've never been in a better position, you know, in terms of the potential for revenue and cash flow generation from operations as we are at this moment.

**Mark Argento:** Great. Well, I appreciate—I do think it would be helpful just to, you know, to kind of put a simple—almost in your slide deck put your sources and uses of cash so investors can get their head around kind of, you know, the puts and takes and all the different things going on when it comes to the balance sheet. Because like I said, it's—you know, it seems to be something that's a constant focus. Understandably so, but at the same time, I do think that would be helpful for investors to get their head around it and at least better understand how you guys are thinking about it, so, appreciate it.

**Mark Gordon:** That's a great suggestion, and we're actually presenting at a financial conference in two weeks, so we'll have the ability to roll some of that out.

**Mark Argento:** Great. Thanks, guys.

**Operator:** Thank you. Once again, if you'd like to ask a question, please press the star, followed by the one on your telephone.

**Mark Gordon:** Operator, we have a handful coming in through the web questions, so some are being passed to me. The first one that I've been handed: Is there any response to the Seeking Alpha article stating you may not be able to meet payroll in the coming months? Well, as we've just gone through, we absolutely have no concerns about our ability to meet payroll or any of our business expenses for all the reasons we just mentioned. Do you want to add anything to that, Phil?

**Philip Devine:** Mark, maybe if I can just comment. You know, you can write anything these days on the Internet, and there was some speculation and some calculation on the Internet this morning about our cash position as of May 13<sup>th</sup>. We follow SEC guidelines so I'm not going to be reporting on our daily cash balance, daily expenses, and so on, but what I can clearly state, is that our total cash on May 13<sup>th</sup> is well in excess of any of those speculative numbers that

were put on the Internet this morning. Sothe Seeking Alpha about not meeting payroll and all is false.

**Mark Gordon:** Okay. Let's see. The next one came from someone named Bob. Next winter, will the Company have any recovery efforts near or south of the equator? First, I'll speculate on why this question may have been asked. I think that typically, we've been somewhat seasonal because of where our projects have been located the past few years, especially since tensions in the Eastern Mediterranean have made that a not-attractive place to operate, but yes, in answer to your question, Bob, I think that's entirely possible. Actually, six of our current commodity projects—six or seven, actually, are south of the equator and could well be winter operations, starting as early as this winter. That was that question. I'm not exactly sure if you want to take this next question?

**Philip Devine:** Yes, somebody just asked me, when we referred to reducing our financial debt in the first quarter, what do we mean by financial debt. Maybe just to clarify that term, we consider financial debt being interest-bearing debt under contract. So this doesn't include our normal, let's say accounts-payable or accrued expenses. It's the financial debt that's interest bearing, and that's why you'll see such a big, dramatic drop in our interest expense over the last few quarters, is because we've been reducing that outstanding financial debt. As I've mentioned earlier, most of our financial debt over the last few years has been convertible debt that was carrying a relatively high interest rate, and we've slowly replaced that with more standard bank debt that carries a much lower interest rate.

**Philip Devine:** With that, maybe we turn it back to the Operator if there's anybody in the queue with some questions?

**Operator:** Thank you. We have a question from Jim McIlree from Chardan Capital. Please go ahead.

**Jim McIlree:** Thanks. Good morning. You referred to earlier about reducing expenses in the second half and I was wondering if you could, would—where you think expenses would get to in the second half?

**Philip Devine:** Yes. I mean, we're not going to give quarter-by-quarter projections of our expenses, but let's say a couple of areas. Last year, quarter—the second quarter, we started the chartering of the *Seabed Worker* to conduct the *Gairsoppa* recovery. As Mark mentioned, that expense was close to...

**Mark Gordon:** About 4 million.

**Philip Devine:** Four million a month, so we don't have the *Seabed Worker* being chartered this year in the second quarter. Likewise, last year, we

were doing drilling activities offshore for Oceanica's subsidiary. This year, we're not doing any offshore work at this time in the second quarter. For Oceanica, it's all onshore work. Those are a couple of examples that I can cite.

**Jim McIlree:** You're comparing it to last quarter. I was thinking that you were going to reduce it versus what you did in Q1.

**Philip Devine:** Oh, versus Q1.

**Jim McIlree:** This year.

**Philip Devine:** Yes, Q1 this year, we also had a sizeable amount of our expenses in Q1 related to the five-year periodic five-year class inspection of our *Odyssey Explorer* vessel. So that was a large expense that's gone and will only come back every five years. Secondly, we were also preparing and installing all of the last equipment and maintenance on the *Dorado* vessel for the drilling and other activities that it could do. So that is also something that will, you know, be...

**Mark Gordon:** A one time.

**Philip Devine:** A one-time expense.

**Mark Gordon:** I may have confused things earlier, when I—I was just comparing to same period last year, when I was comparing, we had a lot of heavy expenses that were one-time in 2013 that you won't see in the comparative periods going forward in 2014.

**Jim McIlree:** Right. I see what you're saying.

**Mark Gordon:** Okay.

**Jim McIlree:** When is the *Dorado* going to be ready to start drilling?

**Mark Gordon:** It's ready now, and it's standing by. We have several different contracts that we've put proposals out to, and we're waiting to hear back. As I mentioned during my update, if we don't have paid work for *Dorado* in June, we are giving very active consideration to re-commissioning her to get going—to advance on the commodity-shipwreck portion of our business.

**Jim McIlree:** Okay, and the timeframe between—I'm curious about the timeframe between discussions with doing a commodity shipwreck versus—you know, how long it takes to get from the decision to, you know, start looking at it to actually going after it.

**Mark Gordon:** Oh, I mean, we could activate the DD tomorrow to be going after commodity shipwreck projects. So I guess the answer, you know, to the question is we're in sort of active discussions on a couple of projects that are long-term paid contracts for the DD. If they come through, then that's what she'll be doing, and if not, you know, sometime within this quarter, we would switch gears and then we could instantly go to work on our commodity shipwreck projects.

**Jim McIlree:** Okay, very good. Thank you.

**Mark Gordon:** You're welcome.

**Operator:** Thank you. At this time this concludes our question and answer session. I would now like to turn the call back over to Mr. Gordon. Sir, please proceed.

**Mark Gordon:** Thank you, Operator. Well, just briefly, I want to thank each of you for joining us today, and I especially want to thank you for your insightful questions and comments we just went through.

In closing, I'd like to say that we're extremely busy and extremely confident with our two current projects, the SS *Central America* shipwreck, and the Oceanica phosphate deposit. Both of these have the potential to generate significant cash inflows to the Company. We're also very confident in our ability to commence or continue work on our pipeline of other projects, some of which I've just mentioned, and this could also include the HMS *Victory* as well as our pipeline of commodity shipwreck projects.

So with that, I will turn the call back over to the Operator to read the necessary disclosures.

**Operator:** Thank you. So, 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 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<sup>st</sup>, 2013, which was filed with the Securities and Exchange Commission today, March 17<sup>th</sup>, 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 assumptions 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. Odyssey has used certain terms on this call such as "measured," "indicated," and "inferred resources," but the SEC guidelines strictly prohibit the Company from including those in its filings with the SEC. Inferred mineral resources have a great amount of uncertainty as to their existence, and great uncertainty as 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 parts or all of the inferred mineral resource exists or is economically or legally mineable, and urged to consider closely the disclosures in the Form 10-K, which may be secured from Odyssey Marine Exploration, or from the SEC's website at [www.sec.gov/edgar.shtml](http://www.sec.gov/edgar.shtml).

I would like to remind everyone that this call will be available for replay through June 13<sup>th</sup>, 2014, starting in about two hours. Please refer to Odyssey's First 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](http://www.odysseymarine.com).

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