



May 10, 2013

Odyssey Marine Exploration Reports First Quarter 2013 Results

Significant Cash Inflows Realized From Mineral Asset Sale

TAMPA, Fla., May 10, 2013 (GLOBE NEWSWIRE) -- Odyssey Marine Exploration, Inc. (Nasdaq:OMEX), a pioneer in the fields of deep-ocean shipwreck and offshore mineral exploration, reported results for the first quarter ended March 31, 2013.

First Quarter 2013 Highlights

- Monetized Odyssey's mineral assets for the first time with the sale of an ownership stake in Oceanica Resources (Oceanica), a company engaged in seafloor mineral exploration, generating gross proceeds of \$15 million for 15% of the company. Odyssey currently holds 62.6% ownership in Oceanica after the sale.
- Preliminary assay results of core samples from Oceanica's mineral deposit are ongoing and confirm a high-value resource. Processing trials have been completed that confirm the resource can be feasibly and economically processed.
- Established multiple controlled foreign entities to efficiently manage anticipated future income streams from various offshore projects.
- Received an additional \$1.8 million from the sale of silver bullion recovered from the SS *Gairsoppa* shipwreck, bringing total proceeds from the deep-ocean project to more than \$41 million. To date, 1,218 *Gairsoppa* silver bars have been recovered and sold. An additional \$500,000 was realized from sale of gold that was extracted from the silver smelting process.
- Proven salvage vessel and equipment secured under charter agreements for the completion of expected silver recoveries from the *Gairsoppa* and SS *Mantola* scheduled to commence in late May. Additional research recently obtained increases the company's optimism for efficient recovery results from both wrecks.

Management Commentary

"In the first quarter, we made strong progress in both offshore mineral exploration and deep-ocean shipwreck recovery," said Greg Stemm, Odyssey's chief executive officer. "This included the monetization of offshore mineral exploration assets that have substantially strengthened our balance sheet and laid the foundation for a productive year ahead.

"It's important to note that although the \$15 million cash generated this quarter through the sale of a portion of our equity in Oceanica was very positive from a cash flow, balance sheet and shareholder value standpoint, it was not recorded as income or as a gain on our Q1 income statement, and \$3.7 million of the \$6.5 million we spent developing this asset was recorded as an operations and research expense in this quarter. While the remaining 62.6 million shares of Oceanica continue to be carried as a zero on our balance sheet, the sale demonstrated the value of this asset and how we have the opportunity to monetize our efforts in mineral exploration well before actual mining revenue is generated.

"The *Seabed Worker* is expected to depart port and resume silver recovery operations at the *Gairsoppa* site this month. Research indicates an additional 1,599 insured silver ingots remain on the *Gairsoppa* site, which could equate to about 1.8 million ounces of silver, along with the potential for additional uninsured silver. Upon completion of the *Gairsoppa* silver recovery operations, we will begin recovery operations on the *Mantola* which was carrying 600,000 ounces of silver. We recently obtained research indicating the likely location of the room where bullion would have been stored on that ship.

"As previously announced, we have negotiated salvage contracts, with ship owners that will award Odyssey 90% of the net value of the cargo recovered from four separate deep-ocean shipwrecks carrying valuable commodities when they sank. Planning is underway to assemble the necessary equipment for the exploration and assessment of these cargoes, which is targeted to begin in 2013.

"In addition to these commodity shipwreck projects, we continue to assess our proprietary database of over 6,000 shipwrecks with more than 100 shipwrecks valued in excess of \$50 million each, to add potential projects to the numerous undersea opportunities we see ahead.

"We're also very optimistic about our mineral exploration opportunities in 2013. Early Oceanica project assay results leave us very encouraged that this may be more than just a high value deposit but indeed a world-class deposit."

Additional Project Updates

Gairsoppa: From September 2012 through January 2013, Odyssey monetized silver bullion recovered from the *Gairsoppa*. The company received more than \$41 million in proceeds from the sale of the 1,218 *Gairsoppa* silver bars recovered to-date, with \$1.8 million received in the first quarter of 2013.

Odyssey believes an additional 1,599 insured silver ingots and what could be a substantial amount of uninsured silver remain on the *Gairsoppa* site. The company plans to use the proceeds to fund new exploratory and recovery projects. Odyssey has chartered the *Seabed Worker* to resume recovery operations on the *Gairsoppa* site. The charter is scheduled to begin May 22, 2013.

HMS Victory: Odyssey produced a revised archaeological project design, developed as a result of the impact report delivered to the Maritime Heritage Foundation and the UK Ministry of Defence. This revised project design has been approved by the Foundation's Scientific Advisory Committee, chaired by marine archaeologist Dr. Margaret Rule, and was submitted to the UK Ministry of Defence (MOD) by the Maritime Heritage Foundation. The Foundation, which holds the title to the shipwreck, is a charity established to locate shipwrecks, investigate, recover and preserve artifacts to the highest archaeological standards and to promote knowledge and understanding of Britain's maritime heritage.

On January 31, 2013, the Maritime Heritage Foundation received a response from the MOD that acknowledged the identified threat to the *Victory* site documented in the impact report. The letter also sets forth a set of Key Management Principles to be agreed prior to undertaking additional work on the site. The company has reached an agreement on these management principles with the Foundation which would allow the company to move forward on the project, while providing comfort to the Government and the MOD Advisory Group that proper archaeological principles will be adhered to through the course of the project. In May 2013, the Foundation submitted these Key Management Principles as well as other requested documentation to the MOD. Odyssey is currently awaiting instructions from the Maritime Heritage Foundation prior to moving forward to the next phase of the project.

In February 2013, Discovery Channel premiered a three-hour series (SILVER RUSH) that featured Odyssey's record-breaking recovery of 48 tons of silver bullion from the *Gairsoppa* — the heaviest and deepest recovery of precious metals in history. It also showcased Odyssey's work on the *Mantola* and *HMS Victory* in 2012.

In addition, Odyssey's traveling exhibition SHIPWRECK!, which features more than 500 authentic artifacts recovered from Odyssey's shipwreck projects, recently completed its run at the Museum of Science in Boston. The exhibit will open at Discovery Times Square in New York City on May 24, 2013, and will feature the first public display of silver recovered from the *Gairsoppa* shipwreck.

First Quarter 2013 Financial Results

Total revenue in the first quarter of 2013 was \$0.9 million, as compared to \$2.9 million in the same year-ago quarter. The decrease in total revenue is primarily attributed to lower revenue from expedition charter services, offset in part by a \$0.7 million increase in artifact and other sales. Net income does not include the \$15 million received for the sale of Odyssey's 15% stake in Oceanica, as required pursuant to accounting standards, but does include the \$ 3.7 million of operational and research expenses.

Operations and research expenses in the first quarter of 2013 were \$5.7 million, as compared to \$5.2 million in the same year-ago quarter, primarily due to increased mineral exploration costs.

Marketing, general and administrative expenses in the first quarter of 2013 were \$2.8 million, as compared to \$2.4 million in the same year-ago quarter. The increase in marketing, general and administrative expenses was primarily due to an increase in the company's professional fees and other services and an increase in employee-related expenses.

Net loss for the first quarter of 2013 was \$9.7 million or \$(0.12) per share, as compared to a net loss of \$5.5 million or \$(0.08) per share in the same year-ago quarter. A non-cash charge of \$662,000 related to derivative accounting for previous financing deals is included in this loss.

Cash and cash equivalents totaled \$11.0 million at March 31, 2013, as compared to \$10.1 million at December 31, 2012. The increase in cash was primarily due to proceeds realized from selling a portion of the company's interest in Oceanica, which was non-dilutive to Odyssey's shareholders.

Consolidated financial statements as well as the full filing are available on the company's website at www.odysseymarine.com as well as at www.sec.gov.

About Odyssey Marine Exploration, Inc.

Odyssey Marine Exploration, Inc. (Nasdaq:OMEX) is engaged in deep-ocean exploration using innovative methods and state-

of-the-art technology for historic shipwreck projects, modern commodity shipwrecks and mineral exploration. Odyssey offers various ways to share in the excitement of deep-ocean exploration by making shipwreck treasures and artifacts available to the general public, students, and collectors through its webstore, exhibits, books, television, merchandise, educational programs and virtual museum located at www.OdysseysVirtualMuseum.com. The company also maintains a Facebook page at <http://www.facebook.com/OdysseyMarine> and a Twitter feed @OdysseyMarine.

Forward-Looking Information

Odyssey Marine Exploration believes the information set forth in this News Release may include "forward-looking statements" within the meaning of the Private Securities Litigation Report 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, 2012, which has been filed with the Securities and Exchange Commission.

ODYSSEY MARINE EXPLORATION, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

	(Unaudited)	
	March 31,	December 31,
	2013	2012
	<u> </u>	<u> </u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 11,047,959	\$ 10,096,414
Restricted cash	231,028	276,906
Accounts receivable, net	477,408	2,101,941
Inventory	308,077	418,926
Other current assets	<u>798,404</u>	<u>874,115</u>
Total current assets	<u>12,862,876</u>	<u>13,768,302</u>
PROPERTY AND EQUIPMENT		
Equipment and office fixtures	19,178,449	16,781,671
Building and land	4,710,108	4,708,091
Accumulated depreciation	<u>(15,491,701)</u>	<u>(15,038,811)</u>
Total property and equipment	<u>8,396,856</u>	<u>6,450,951</u>
NON-CURRENT ASSETS		
Inventory	5,440,381	5,574,841
Other non-current assets	<u>1,270,228</u>	<u>1,102,730</u>
Total other assets	<u>6,710,609</u>	<u>6,677,571</u>
Total assets	<u><u>\$ 27,970,341</u></u>	<u><u>\$ 26,896,824</u></u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable	\$ 2,195,779	\$ 1,948,555
Accrued expenses and other	3,090,132	14,050,840
Deferred revenue	2,835,522	2,835,522
Derivative liabilities	6,018,613	5,356,203

Mortgage and loans payable	<u>14,254,832</u>	<u>14,809,737</u>
Total current liabilities	<u>28,394,878</u>	<u>39,000,857</u>
LONG-TERM LIABILITIES		
Mortgage and loans payable	2,017,464	4,010,946
Deferred income from revenue participation rights	<u>4,643,750</u>	<u>4,643,750</u>
Total long-term liabilities	<u>6,661,214</u>	<u>8,654,696</u>
Total liabilities	<u>35,056,092</u>	<u>47,655,553</u>
Commitments and contingencies		
Redeemable Series G Convertible Preferred stock	—	—
STOCKHOLDERS' DEFICIT		
Preferred stock -- \$.0001 par value; 9,361,200 shares authorized; none outstanding	—	—
Preferred stock series D convertible -- \$.0001 par value; 448,800 shares authorized; 206,400 issued and outstanding	21	21
Common stock — \$.0001 par value; 150,000,000 shares authorized; 78,596,929 and 75,416,203 issued and outstanding, respectively	7,860	7,542
Additional paid-in capital	167,784,614	144,446,574
Comprehensive income (loss) attributable to non-controlling interest	43,272	—
Accumulated deficit	<u>(174,878,246)</u>	<u>(165,212,866)</u>
Total stockholders' deficit before non-controlling interest	(7,042,479)	(20,758,729)
Non-controlling interest	<u>(43,272)</u>	<u>—</u>
Total stockholders' deficit	<u>(7,085,751)</u>	<u>(20,758,729)</u>
Total liabilities and stockholders' deficit	<u>\$ 27,970,341</u>	<u>\$ 26,896,824</u>

ODYSSEY MARINE EXPLORATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	<u>Three Months Ended</u>	
	<u>March 31,</u> <u>2013</u>	<u>March 31,</u> <u>2012</u>
REVENUE		
Artifact sales and other	\$ 803,072	\$ 54,147
Exhibit	60,000	25,000
Expedition	<u>—</u>	<u>2,820,605</u>
Total revenue	<u>863,072</u>	<u>2,899,752</u>
OPERATING EXPENSES		
Cost of sales — artifacts and other	145,701	34,189

Marketing, general and administrative	2,791,321	2,356,918
Operations and research	5,733,233	5,151,706
	<u>8,670,255</u>	<u>7,542,813</u>
Total operating expenses		
INCOME (LOSS) FROM OPERATIONS	(7,807,183)	(4,643,061)
OTHER INCOME (EXPENSE)		
Interest income	2,699	22,440
Interest expense	(1,071,055)	(985,329)
Change in derivative liabilities fair value	(662,410)	123,069
Other	23,312	1,082
	<u>(1,707,454)</u>	<u>(838,738)</u>
Total other income (expense)		
INCOME (LOSS) BEFORE INCOME TAXES	(9,514,637)	(5,481,799)
Income tax benefit (provision)	<u>(150,742)</u>	<u>—</u>
NET INCOME (LOSS) BEFORE NON-CONTROLLING INTEREST	(9,665,379)	(5,481,799)
Non-controlling interest	<u>—</u>	<u>—</u>
NET INCOME (LOSS)	<u>\$ (9,665,379)</u>	<u>\$ (5,481,799)</u>
NET INCOME (LOSS) PER SHARE		
Basic and diluted	<u>\$ (0.12)</u>	<u>\$ (0.08)</u>
Weighted average number of common shares outstanding		
Basic and diluted	<u>77,344,388</u>	<u>73,165,136</u>

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