



## PRESS RELEASE

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### Odyssey Marine Exploration Announces 2009 Financial Results

**Tampa, FL – March 9, 2010** - Odyssey Marine Exploration (NasdaqCM: OMEX), pioneers in the field of deep-ocean shipwreck exploration, today reported full year 2009 financial results.

For the full year 2009, Odyssey reported revenues of \$4.3 million, compared to \$4.1 million in 2008 while operating expenses decreased \$6.4 million from \$29.1 million in 2008 to \$22.7 million in 2009.

The Company reported a net loss of \$18.6 million for the full year 2009, compared to a net loss of \$24.8 million in 2008. The net loss per share for the full year 2009 was \$0.33, compared to a net loss per share of \$0.50 in 2008.

"We are pleased with the results of our 2009 operations, which despite some interesting challenges, saw some key strategic opportunities realized that I believe will have a profound effect on our business going forward. Several significant announcements made in late 2009 and early 2010 represent outstanding new opportunities for Odyssey, including the intention to syndicate multiple shipwreck projects with Robert Fraser & Partners that will mirror the structure of the "*Enigma*" project already executed. Taking into account expected revenue from multiple sources including these syndicated projects, we believe our current cash position is sufficient to fund operating cash flows through 2010, barring unforeseen circumstances," said Odyssey CEO Greg Stemm.

"Also in 2009, we acquired a stake in a venture to pursue the exploration of deep-ocean gold and copper deposits. By providing our technical expertise and certain marine assets, we believe this will provide a lucrative future opportunity and is a natural extension to leverage our core competencies in deep-ocean exploration," stated Stemm.

"In 2010, Odyssey will remain focused on continuing to strengthen our relations with several governments to conduct shipwreck searches with no upfront cost to taxpayers while returning cultural heritage and economic value to the governments. In September 2009, the UK Government awarded Odyssey a salvage award for the two cannon recovered from HMS *Victory*, while discussions continue to determine future plans for the site. The UK Government also awarded the exclusive salvage contract to Odyssey for the cargo of silver from the SS *Gairsoppa*," continued Stemm. "We have a very ambitious operational schedule planned for 2010, with seven separate projects planned, utilizing at least three ships as well as some outstanding new deep ocean assets we have just acquired. We also have some interesting new technology on the drawing board that will extend our capabilities to a depth of 6,000 meters."

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## Revenue

Revenue is generated through the sale of coins, artifacts and merchandise, the lease of our themed attraction exhibit and expedition charters. In the fourth quarter 2009, expedition charter revenue included compensation to provide project research and shipwreck search and survey services to Robert Fraser Marine Ltd and client companies of Robert Fraser & Partners LLP located in the United Kingdom. In 2008, expedition charter revenue included revenue associated with the production of the shipwreck exploration television series *Treasure Quest*.

Artifact sales and other revenues primarily include coin sales, but also include other artifacts, merchandise, commissions, and other miscellaneous revenue. Artifact and other revenues for 2009 and 2008 were \$1.6 million and \$1.7 million, respectively. In 2009 we sold nearly 2,400 silver coins, a 35% increase over 2008. The decrease of \$.1 million in artifact sales and other in 2009 primarily related to higher 2008 other revenue which included \$.3 million representing the sale of customer lists to our direct marketing partner. In 2009 and 2008, we sold through several independent dealers of which two represented 72% and 69% of total artifact sales, respectively. As of December 31, 2009, we had a remaining inventory of approximately 29,000 silver coins. Our artifact and other and exhibit revenue for 2009 and 2008 was predominantly U.S. domestic-based.

Exhibit revenue was \$.6 million and \$.5 million in 2009 and 2008, respectively. Odyssey's *SHIPWRECK! Pirates & Treasure* is an interactive multi-media exhibit and features hundreds of artifacts recovered from our deep-ocean shipwreck expeditions. In 2009 the exhibit was featured at two locations (Oklahoma City and Charlotte, North Carolina) and three locations in 2008 (Tampa, Detroit and Oklahoma City). Exhibit revenue varied dependent on the type of contract which was either a fixed rental or a per visitor basis.

Expedition charter revenue for fourth quarter 2009 included \$.8 million for the sale of research and \$1.2 million for shipwreck search and survey services related to the Robert Fraser Marine Ltd "*Enigma*" project (see Operational Projects, Item 1). In 2008, expedition charter revenue included \$1.9 million of expedition charter revenue related to the television series *Treasure Quest*.

## Cost and Expenses

Cost of sales consists of shipwreck recovery costs, grading, conservation, packaging, and shipping costs associated with artifact and merchandise sales. The primary cost component is from the sale of coins. Cost of sales for coins increased 38% for 2009 versus 2008 primarily because of more coins sold in 2009. However, overall cost of sales increased only 8% due to other miscellaneous charges in 2008. Actual cost as a percentage of coin sales was 44% and 40% in 2009 and 2008, respectively. There is no cost of sales component associated with the themed attraction and expedition charter revenues.

Operations and research expenses primarily include all costs within Archaeology, Conservation, Research, and Marine Operations, which include all vessel operations. Operations and research expenses were \$12.6 million in 2009, compared to \$18.6 million in 2008. The \$6.0 million decrease, or 32%, was primarily related to a \$3.0 million decrease in vessel operating expenses of which \$2.4 million related to fewer ship charters utilized in 2009 (which were used in 2008 to supplement our operating schedule in the "*Atlas*" search area while the *Ocean Alert* was undergoing repairs), and \$.6 million related to other vessel operating expenses primarily fuel, port fees, consumables and provisions.

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We also had a decrease of \$2.5 million in vessel repairs and maintenance expenses due to extensive repairs to both ships in 2008. The remaining decrease in operations and research expenses in 2009 of \$.5 million was attributed to lower vessel miscellaneous operating expenses.

Marketing, general and administrative expenses primarily include all costs within the following departments: Executive, Finance & Accounting, Legal, Information Technology, Human Resources, Marketing & Communications, Sales and Business Development. Marketing, general and administrative expenses were \$9.4 million in 2009 versus \$9.8 million in 2008. The decrease of \$.4 million was primarily attributable to reduced corporate overhead of \$.7 million including professional fees and expenses and depreciation, offset by \$.3 million of unfavorable employee-related expenses including share-based compensation and bonuses.

### **Operational Projects and Status**

We have numerous shipwreck and other deep-ocean projects in various stages of development around the world. In order to protect the targets of our planned search or recovery operations, in some cases we will defer disclosing specific information relating to our projects until we have located a shipwreck or other potentially valuable resources of interest and determined a course of action to protect our property rights.

#### **“Atlas” Search Project**

Between 2005 and 2008, we searched more than 4,700 square nautical miles of seabed in the western English Channel and the Western Approaches to the Channel, recording 267 shipwrecks. The shipwrecks discovered include site “35-F”, the *Marquise de Tornay*, and HMS *Victory* (1744). Additional information about the current status of the admiralty legal proceedings on these three shipwreck sites is available in *Admiralty Legal Proceedings* following this section.

Site “35-F” (admiralty case number 8:06-cv-1685) is believed to be an armed English merchantman from the second half of the 17<sup>th</sup> century. The site has been heavily damaged by fishing activities, and a confirmed identification may not be possible. During a preliminary investigation of the site, *Odyssey* discovered a rare wooden folding carpenter’s rule – the oldest ever recovered from a shipwreck site. The ruler was on display at the Museum of the History of Science at Oxford in the UK. More information about the ruler is described in a paper available at [www.shipwreck.net/publications.php](http://www.shipwreck.net/publications.php).

Operations for the 2009 “Atlas” season commenced in February 2009 with the 251-foot *Odyssey Explorer* conducting search and inspection operations. In addition to search and inspection technology used in the past, our teams have integrated new technologies into the *ZEUS* platform that have significantly enhanced its inspection capabilities.

The *Ocean Alert* was utilized for some search operations in the “Atlas” search area in 2009 and after undergoing equipment upgrades, left the “Atlas” area in November to begin work on the “*Enigma*” project (see “*Enigma*” Project).

In 2009, approximately 1,000 square miles of seabed were mapped with side-scan sonar and magnetometer. Odyssey's Remotely Operated Vehicle ZEUS completed 141 dives spending approximately 380 hours on the seabed. Of the 238 targets inspected in 2009, 11 shipwrecks were discovered. We anticipate resuming operations in the "Atlas" search area in the second quarter of 2010.

### **HMS *Victory* Project**

We discovered and conducted a preliminary investigation of the shipwreck of Admiral Balchin's HMS *Victory* (which sank in 1744) during our 2008 "Atlas" season. HMS *Victory* was the inspiration for and direct predecessor to Nelson's *Victory* and was the mightiest and most technically advanced vessel of her age.

Odyssey has been cooperating closely with the United Kingdom (UK) Ministry of Defence (the "MOD") on the HMS *Victory* project. All activities at the site, including the recovery of two bronze cannon, have been conducted in accordance with protocols agreed to by the UK Government and Royal Navy officials. The *Victory* discovery was announced publicly February 2, 2009, and since that date, various departments within the UK Government have been reviewing data from the site. On September 18, 2009, Odyssey announced it reached an agreement with the UK Government on an 80% salvage award for the cannon recovered from the site. Pursuant to the agreement, Odyssey dismissed without prejudice the admiralty arrest on this site. Odyssey is participating in the ongoing process of consultation with the UK Government to determine what approaches should be adopted towards the wreck. Terms of the collaboration between Odyssey and the UK MOD on the project are currently being negotiated.

Although the UK is not a signatory to the United Nations Educational Scientific and Cultural Organization's (UNESCO) Convention for the Protection of Underwater Cultural Heritage ("CPUCH") and therefore not bound by CPUCH, Odyssey's proposal is consistent with the archaeological principles of the Rules of CPUCH.

### **"*Gairsoppa*" Project**

On January 25, 2010, Odyssey was awarded the exclusive salvage contract for the cargo of the SS *Gairsoppa* by the United Kingdom (UK) Government Department for Transport. The contract was awarded after a competitive bid process and is for two (2) years, which commenced immediately.

The SS *Gairsoppa* was a British cargo steamer enlisted in the service of the United Kingdom for the Ministry of War Transport during World War II. It was torpedoed by a German U-Boat in February 1941 in the North Atlantic while reportedly carrying a significant cargo of silver.

Odyssey will assume the risk, expense, and responsibility for the search, cargo recovery, documentation, and marketing of the cargo. If the salvage is successful, Odyssey will be compensated with a salvage award which consists of 80% of the net value of the recovered cargo after deduction of expenses of search and salvage. This project aligns with our strategy to focus on partnership projects with several governments that provide straightforward legal ownership arrangements.

### **Robert Fraser Projects (“*Enigma*,” “*Firebrand*,” “*Shantaram*”)**

Odyssey and our wholly owned subsidiary, OVH, Inc. executed agreements in October 2009 to provide project research and shipwreck search and survey services to Robert Fraser Marine Ltd and client companies of Robert Fraser & Partners LLP in return for cash payments (approximately \$3.5 million), deferred cash payments (approximately \$20 million from proceeds of the “*Enigma*” project, if any) and a significant back-end interest in a project code-named “*Enigma*.” Search operations on “*Enigma*” commenced in November 2009. Side-scan operations were substantially completed by the end of February 2010 and final target inspections are expected to be completed in March.

Odyssey and syndication partner Robert Fraser & Partners LLP have jointly developed plans and signed a letter of intent on February 4, 2010, to execute a series (at least six) of additional deep-ocean projects in 2010 based on the model of the project code-named “*Enigma*.” Three projects are expected to target shipwrecks, while three or more projects will be aimed at mineral mining expeditions (see "Subsea Mineral Exploration Projects" included in this section).

Under the proposed structure, Odyssey will be compensated for search, survey and archaeological excavation as well as development of research files on specific shipwrecks and other projects. Odyssey will also receive deferred cash payments and have a substantial interest in the back-end of each project as well as being compensated for providing other services including conservation, documentation, marketing and sales of recovered cargoes. Under the proposed structure for mineral mining projects, Odyssey will be compensated for search and survey operations and development of geological research files on specific expeditions. If valuable mineral deposits are found and eventually sold, Odyssey will receive deferred cash payments and will benefit from its ownership in the mining company (see "Subsea Mineral Exploration Projects" included in this section).

We expect to execute the first two shipwreck agreements under the letter of intent during March 2010. Odyssey will provide project research and shipwreck search and survey services to Robert Fraser Marine Ltd and client companies of Robert Fraser & Partners LLP in return for cash payments, deferred payments and a significant back-end interest in the “*Firebrand*” and “*Shantaram*” projects. Search operations are expected to commence on “*Shantaram*” during April 2010 and “*Firebrand*” in July 2010.

We expect to execute agreements for mineral mining expeditions beginning in April 2010. To protect the security of the search area, specific location details for “*Enigma*”, “*Firebrand*” and “*Shantaram*” are not being released at this time.

### **Lebanon Projects**

On January 25, 2010, Ethiopian Airlines Flight ET 409 crashed into the Mediterranean Sea shortly after take-off from Beirut International Airport in Lebanon. Our search vessel, *Ocean Alert*, was operating near the area and had been using the Beirut port for fuel and supplies during these operations. In the weeks prior to the ET409 crash, Odyssey management had been negotiating an agreement with the Government of Lebanon to partner in a deep-ocean project so Lebanese officials were familiar with the capabilities of Odyssey and the *Ocean Alert*.

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When ET 409 crashed, Lebanese authorities contacted Odyssey and asked the company to assist in the search and recovery efforts. The *Alert* returned to Beirut and was integrated into search operations that included the Lebanese Navy and Army, the US Navy (USS *Ramage*) and a German Navy ship, the *Laboe*.

Before the plane wreckage was discovered, the Government of Lebanon asked Odyssey to provide additional capabilities for more complex technical documentation of the site. Odyssey sent the *Odyssey Explorer*, which was based in the UK, on the approximate two-week transit to Lebanon to assist. We have tentatively agreed to a payment schedule for services provided which included vessels, management, and shore support. We may also furnish additional services to map the site and recover other parts of the aircraft wreckage if contracted to do so.

Odyssey is continuing negotiations with the Lebanese government for the original project. All operations on this project will be conducted in close coordination with the Government of Lebanon and will include official government observers on board Odyssey vessels. Search operations for this project are expected to commence in March 2010.

### **Subsea Mineral Mining Exploration Project**

In November 2009, Odyssey acquired a 25% interest in SMM Project LLC, a company funded by a group of investors to bring together the exclusive licenses and skills of world renowned deep-ocean geologist Dr. Timothy McConachy of Bluewater Metals, the deep-ocean survey and exploration expertise of Odyssey, and the offshore coring and mining expertise of Robert Goodden and Subsea Minerals.

SMM Project LLC recently purchased a majority interest in Bluewater Metals Pty Ltd, an Australian company with licenses for mineral exploration of approximately 150,000 square kilometers of ocean floor in four different countries in the South Pacific. The group will focus on the exploration and monetization of gold, silver, zinc and copper-rich Seafloor Massive Sulfide (SMS) deposits through a new business entity, Dorado Ocean Resources Ltd (Dorado), which will acquire SMM Project LLC and the remaining interest in Bluewater, in accordance with a memorandum of understanding concluded between the parties.

It is anticipated that Odyssey will dedicate certain marine assets, including a ship and related marine exploration technology to the endeavor, and will initially own approximately 40% of Dorado prior to any additional dilution that may result from additional financing. In addition, Odyssey is expected to provide proprietary expertise and personnel management to the entity under contract, and will supervise operations to explore for deep-ocean SMS deposits in areas covered by exploration permits currently held by Bluewater Metals and Dorado Ocean Resources.

Odyssey recently entered into a long term charter agreement for a vessel which is scheduled to commence subsea mineral exploration in the South Pacific beginning in the second quarter of 2010.

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## **North Carolina Project**

Operations were conducted in August and September 2009 in the area covered by the exploration permit issued by the North Carolina Department of Cultural Resources to Odyssey's partner, Intersal, Inc. Odyssey worked under an agreement with Intersal, Inc. to pursue operations under this permit and to share in substantial research and data acquired by Intersal over the years relating to the target shipwreck and the work completed to date in the permit area.

The 2009 operations included a remote sensing in two search blocks with side-scan sonar and magnetometer which identified multiple targets requiring additional inspection. A preliminary report and final report have been submitted to the North Carolina Department of Cultural Resources.

While the partnership between Odyssey and Intersal resulted in positive progress on the project, Odyssey and Intersal mutually agreed to terminate the contract between the two companies, and Odyssey has no current plans to conduct operations in the Intersal permit area. Odyssey will retain a small percentage of any gross revenues realized by Intersal from shipwreck finds in the permit area.

The area covered by the Intersal permit is located near but does not overlap Odyssey's "*Firefly*" project, which was acquired by Odyssey from BDJ Discovery Group in 2007 and includes one arrested site that has already produced a small number of gold and silver artifacts. Odyssey does plan to continue operations on the "*Firefly*" project.

## **"Symphony" Project**

Odyssey completed the first phase of survey in a new search area code named "*Symphony*." The work was conducted under a government permit in an exclusive claim area and in conjunction with a project partner. Results of the survey have been analyzed and compiled into a report, which has been provided to the government for review before the next phase of work is commenced. Preliminary review of the data suggests that four shipwrecks may have been located in the phase-one search area, but at this point, none of the sites have been conclusively identified. Research suggests the search area potentially contains at least two commercial vessels with significant cargoes of gold coins. Sea conditions in this area limit the time operations can be conducted on this project.

The expedition was conducted by the Odyssey search team on a chartered vessel. To protect the security of the search area, specific location details are not being released at this time. Proceeds of any recoveries from this search area will be split with the government and project partner with an anticipated 88% of the net proceeds of the project retained by Odyssey.

**HMS Sussex Project**

The *Sussex* project is an expedition to locate and recover the artifacts and cargo of a large colonial-period British warship, HMS *Sussex*, which was lost in a severe storm in 1694. Based on documentary research conducted by contract researchers and our in-house research team in libraries and historical archives in Great Britain, France and other countries, we believe that there is a high probability the ship was carrying a cargo of coins with a substantial numismatic and collector value. Our analysis of the data was accumulated from a review of the ship’s logs, court martial records, state papers, treasury books and various other letters and reports. We conducted offshore search operations on this project in 1998, 1999, 2000 and 2001. Based on the results of these search operations, we believe there is a high probability we may have located the HMS *Sussex*, but this will only be confirmed after additional excavation of the site.

On September 27, 2002, we entered into an agreement with the Government of the United Kingdom of Great Britain and Northern Ireland, which we refer to as Her Majesty’s Government (HMG), which allows us to conduct an archaeologically sensitive exploration of the shipwreck believed to be HMS *Sussex* and to recover artifacts from the shipwreck site. The agreement provided for us to submit a Project Plan to HMG concerning the equipment, personnel and methodologies we intend to use in the exploration of the shipwreck, and the conservation and documentation of any artifacts and cargo that may be recovered. This Plan was submitted and was declared fit for purpose during 2004 with the exception of the staffing plan, which could not be completed until the actual start date was agreed upon and the availability of personnel could be determined. The staffing plan was approved during 2005 and we began exploration of the site during December 2005.

In late 2005 and early 2006, Odyssey completed to the satisfaction of HMG all work detailed in Phase 1A of the HMS *Sussex* archaeological project plan. The Company has also completed a portion of Phase 1B. The Company temporarily halted operations on the project at the request of the Spanish Ministry of Foreign Affairs while issues relative to the archaeological plan for excavation of the site, territorial and cultural resource management issues were negotiated.

As a sovereign warship, HMS *Sussex* remains the property of HMG which, to our knowledge, has not been contested by the Spanish government or other entities. As part of the partnering agreement signed between Odyssey and HMG in 2002, the following sharing arrangements have been agreed upon with respect to the aggregate amount of the appraised values and/or selling prices of the artifacts, net of agreed selling expenses:

<u>Range</u>	<u>British Government</u>	<u>Odyssey</u>
\$0 - \$45 million .....	20%	80%
\$45 million to \$500 million .....	50%	50%
Above \$500 million .....	60%	40%

In addition to the percentages specified above, we will also pay HMG 10% of any net income we derive from intellectual property rights associated with the project.

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Under the agreement, HMG has the right to keep all artifacts together in one collection, and to then compensate Odyssey by paying us the commensurate percentage of the appraised retail value of the collection. Alternatively, HMG may decide to de-accession duplicate artifacts such as coins and to compensate us by giving us a percentage of those artifacts in an amount that correlates with the percentage of the value due us.

Also, we received the exclusive worldwide right to use the name "HMS *Sussex*" in connection with sales and marketing of merchandise (exclusive of artifacts) related to the shipwreck, and HMG will receive 3% of the gross sales of such merchandise.

Our agreement with HMG is for a period of 20 years, and can only be terminated if:

- the shipwreck is not HMS *Sussex*;
- we are in serious breach of our obligations under our agreement with HMG.

The shipwreck that is believed to be HMS *Sussex* is located in the search area for a project that we have previously referred to as our "*Cambridge*" project. We sold through private placements of Revenue Participation Certificates, or RPCs, the right to share in our future revenues derived from the "*Cambridge*" project. As of April 30, 1999, when the offering was closed, we had sold \$825,000 of the RPCs. As a group, the holders are entitled to 100 % of the first \$825,000 of gross revenue, 24.75 % of gross revenue from \$4 million to \$35 million, and 12.375 % of gross revenue above \$35 million generated by the "*Cambridge*" project. Additionally, on May 26, 1998, we signed an agreement with a subcontractor that entitled it to receive 5 % of the post-finance cost proceeds from any shipwrecks in a certain search area of the Mediterranean Sea. The shipwreck we believe is HMS *Sussex* is located within the specified search area, and we will be responsible to share future revenues, if any, from this shipwreck with the subcontractor. The subcontractor's rights were foreclosed upon during 2002 and the purchaser was a limited liability company which was partially owned by two of our officers and directors at the time. In order to remove any potential conflicts of interest, these two persons sold their interests in the limited liability company during 2005.

Because the government of Spain is pursuing claims against our recovery from the "*Black Swan*" project, the HMS *Sussex* project, which has involved work in the Mediterranean Sea off the coast of Gibraltar, has been delayed. See "*Black Swan*" Arrest under *Admiralty Legal Proceedings* in the next section.

### **Admiralty Legal Proceedings**

An Admiralty arrest is a legal process in which Odyssey seeks recognition from the Court of Odyssey's salvor-in-possession status for a specific shipwreck, site or cargo. It is the first legal step in establishing Odyssey's rights to ownership or to a salvage award.

### **"Black Swan" Arrest**

In April 2007, we filed an Admiralty arrest on a site in the Atlantic Ocean approximately 1,100 meters deep, beyond the territorial waters or contiguous zone of any sovereign nation, and we were appointed substitute custodian for all artifacts recovered from the site. Odyssey code named the site "*Black Swan*." In May 2007, the Kingdom of Spain filed a notice in this case stating that the

Spanish government did not intend to give up rights to any Spanish property which might be on the site.

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On April 11, 2008, Odyssey filed its responses to the Court's interrogatories and identified the *Nuestra Señora de las Mercedes* (the "*Mercedes*"), a vessel assigned to transport mail, private passengers, consignments of merchant goods and other cargoes, as one vessel potentially related to the "*Black Swan*" site, although there is evidence that may contradict this hypothesis. Odyssey reiterated that no vessel has been found at the site, and stated that other hypotheses were also being explored. Spain then filed its answers to the Court's interrogatories indicating that it had concluded that the vessel related to the "*Black Swan*" site was the *Mercedes*.

Spain filed a Motion to Dismiss the case on September 22, 2008, based upon the Foreign Sovereign Immunities Act ("FSIA"), alleging that the U.S. District Court lacks jurisdiction. Odyssey filed a response on November 17, 2008, to which Spain filed a reply on January 26, 2009. Odyssey filed a response to that reply on February 13, 2009. Claims have also been filed in the case by the country of Peru as well as named individuals who assert an interest in property that was aboard the *Mercedes*. Those named individuals have specifically acknowledged Odyssey's right to a salvage award in the case. On May 4, 2009, Peru filed its objection to Spain's Motion to Dismiss that Spain filed on September 22, 2008.

On June 3, 2009, a Report and Recommendation (R&R) was filed by the Magistrate which recommended that Spain's Motion to Dismiss the case be granted. Six separate Objections were filed, including an Objection from Odyssey, Peru, and many claiming to be descendants of merchants who owned the private cargo on the *Mercedes*. Odyssey's objection included arguments that:

- The applied legal standard of review was incorrect (i.e., the motion must be denied because the factual questions regarding jurisdiction are intertwined with the merits of the case).
- There was no coherent vessel located at the "*Black Swan*" site.
- There is clear and convincing evidence of the commercial nature of the *Mercedes*' mission at the time of her demise which Odyssey believes legally nullifies the claim to sovereign immunity of that vessel.
- A distinction between cargo and vessel is allowed and even required by settled admiralty law.
- The majority of the coins aboard the *Mercedes* were merchant-owned, commercial cargo being shipped as freight for a fee and were never owned by Spain.

Spain filed a response to the Objections on August 31, 2009. Odyssey filed a reply to that response on October 15, 2009, reiterating that the R&R had applied the wrong legal standard of review and had incorrectly interpreted factual and legal issues. On October 14, 2009, Odyssey filed a response to a statement of interest filed in the case by the United States Department of Justice which, while not addressing the specific jurisdictional issue before the court, supported Spain's argument that the *Nuestra Señora de las Mercedes*, would have been considered a sovereign vessel. The court denied Odyssey's motion to file a declaration signed by the primary drafter of relevant legislation. A motion to file an amicus brief by members of Congress purporting to counter the DOJ filing was also denied.

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On December 23, 2009, Odyssey received notification from the U.S. District Judge that he adopted the Magistrate's Report and Recommendation in the "*Black Swan*" case in favor of Spain. Although the Judge complimented Magistrate Pizzo's Report and Recommendation, he also made it clear that he felt a separate opinion by him would "add only length and neither depth nor clarity (and certainly not finality) to this dispute." The Judge also stayed the order vacating the arrest warrant and the return of the recovered coins to Spain until the U.S. Court of Appeals for the Eleventh Circuit rules in the case, which serves to keep the coins in Odyssey's possession pending the outcome of the case.

We filed our notice of appeal with the Federal District Court for the Middle District of Florida and Eleventh Circuit Court of Appeals on January 15, 2010.

### **"Atlas" Arrests**

We currently have two pending Admiralty arrest cases on sites in the "Atlas" search area. Case number 8:06-cv-1685 was discovered and arrested in 2006. This site remains unidentified. Case number 8:08-cv-01044 was discovered and arrested in 2008 and is believed to be the privateer *Marquise de Tornay*.

### **Unidentified Shipwreck**

The Kingdom of Spain initially appeared as a claimant in this case but has since admitted no interest. On February 1, 2010, the Court granted Odyssey's Motion for Partial Summary Judgment giving us title to all artifacts recovered from the site and administratively closing the *in rem* portion of the case (Case number 8:06-cv-1685). The only issue remaining is the claim of Keith Bray.

On December 20, 2007, Bray filed an Intervening Complaint in this case involving the site arrested in September 2006. His claim includes counts for Fraud, Rescission and Mutual Mistake and seeks to have the Court rescind his contract with Odyssey which specifically provided that Bray was entitled only to the cash payment paid to him for historical research work. On January 9, 2008, Odyssey filed its Answer and Affirmative Defenses to the Intervening Complaint denying Bray's allegations and attaching a copy of the Research Agreement which Odyssey had with Bray. The parties are in the process of evidence discovery and a trial of the case is scheduled for the August 2010 trial term.

### ***Marquise de Tornay***

In May 2008, Odyssey filed Admiralty arrests on a Colonial period shipwreck site in the "Atlas" search area. The site contained cannon and other artifacts. On June 20, 2008, U.S. District Court for the Middle District of Florida appointed Odyssey as substitute custodian of the site.

Based on a bell recovered from the shipwreck site, site exploration and artifacts, Odyssey believes the arrest (case number 8:08-cv-01044) to be the shipwreck of the privateer *Marquise de Tornay*. On January 23, 2009, the company published notice of the likely identity. No claimants have come forward to date. On July 30, 2009, the Clerk of the Court entered a notice of default on the

shipwreck believed to be the *Marquise de Tornay* (case number 8:08-cv-01044) closing the time for claimants to come forward in the case. Odyssey is seeking a default judgment in the case.

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### **HMS *Victory***

Along with the *Marquise de Tornay*, Odyssey arrested a site which it announced on February 2, 2009, is the shipwreck of the HMS *Victory*, the last Royal Navy warship to be lost at sea with a complete complement of bronze cannon. Odyssey also announced that it had recovered two unique cannon from the site and the company's research indicated the HMS *Victory* sunk with a substantial amount of gold and silver specie aboard.

As part of a larger agreement with the United Kingdom, including a salvage award for the cannon recovered to date from the site, Odyssey filed a motion to dismiss, without prejudice, the admiralty action (case number 8:08-cv-01045). The Court granted the motion on September 19, 2009. Although the admiralty case in U.S. Court has been closed, Odyssey continues discussions with the UK Ministry of Defence regarding future efforts at the site.

### **North Atlantic Arrests – *Laconia* and *Cairn Hill***

In November 2008, Admiralty arrests were also filed on two shipwrecks located in the north Atlantic Ocean over 300 miles from the western approaches to the English Channel. (Case numbers 8:08-cv-02219 and 8:08-cv-02220). On November 13, 2008, the U.S. District Court for the Middle District of Florida appointed Odyssey as substitute custodian of both sites and the artifacts recovered therefrom. On February 9, 2009, the United Kingdom filed Verified Statements of Right or Interest in each of the cases, asserting a potential interest in the vessels and/or cargo recovered from the sites.

After reaching an agreement with the United Kingdom's Ministry of Transportation, Odyssey filed a request on July 17, 2009, to dismiss without prejudice, case number 8:08-cv-02219, the arrest of the shipwreck site believed to be the *Laconia*. The case was closed on July 20, 2009.

Odyssey filed an Amended Arrest complaint on July 16, 2009, on the shipwreck believed to be *Cairn Hill* (case number 8:08-cv-02220) to exclude from the arrest any property on the vessel that was the property of the United Kingdom. On August 11, 2009, Deep 6 Ltd., a British corporation, filed a claim in the case stating that Deep 6, Ltd. is the salvor in possession of the shipwreck. Odyssey has contested the claim and the parties are currently in the discovery stage. The claim is scheduled to be tried after February 1, 2011.

### **Mediterranean Arrest - *Ancona***

In April 2007, Odyssey filed an Admiralty arrest on a shipwreck in the Mediterranean Sea believed to be the *Ancona*, a 20th century passenger liner believed to be carrying valuable cargo, and Odyssey was appointed substitute custodian of the artifacts recovered.

On June 25, 2009, Odyssey filed a motion to stay the proceedings on the shipwreck site believed to be *Ancona*. The court had previously entered a default in the case, but rather than proceeding to judgment, Odyssey requested a stay of the proceedings to discuss with Italy any potential interests they may have in the wreck. Odyssey asked the court to stay the proceedings until the parties have

concluded negotiations, and on January 6, 2010, the parties filed a Joint Motion to Preserve the Administratively Closed Status. Odyssey has agreed to confer with Italy before any recovery at the site.

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We will continue to pursue prompt resolutions of all claims. If we are able to confirm that any entity has a potential legitimate legal claim to any of the materials recovered from these sites, we intend to provide legal notice to any and all potential claimants. Even if another entity is able to prove that it has an ownership interest in the shipwreck and/or cargo and they had not legally abandoned the shipwreck, Odyssey would seek a salvage award from the Admiralty Court. In cases such as this, salvors are typically awarded up to 90% of the recovery.

### **About Odyssey Marine Exploration**

Odyssey Marine Exploration, Inc. (NasdaqCM: OMEX) is engaged in the exploration of deep-ocean shipwrecks and uses innovative methods and state-of-the-art technology to conduct extensive search and archaeological recovery operations around the world. Odyssey discovered the Civil War-era shipwreck of the SS *Republic*® in 2003 and recovered over 50,000 coins and 14,000 artifacts from the site nearly 1,700 feet deep. In May 2007, Odyssey announced the historic deep-ocean treasure recovery of over 500,000 silver and gold coins, weighing 17 tons, from a Colonial era site code-named "*Black Swan*." In February 2009, Odyssey announced the discovery of Balchin's HMS *Victory*. Odyssey also has other shipwreck projects in various stages of development around the world.

Odyssey offers various ways to share in the excitement of deep-ocean exploration by making shipwreck treasures and artifacts available to collectors, the general public and students through its webstore, exhibits, books, television, merchandise, and educational programs.

Odyssey's operations are the subject of a Discovery Channel television series titled "Treasure Quest," which is produced by JWM Productions. The 12-episode first season aired worldwide in 2009. Production on a second season is underway.

For details on the Odyssey's activities and its commitment to the preservation of maritime heritage please visit [www.shipwreck.net](http://www.shipwreck.net).

For consolidated financial statements as well as the full filing please go to <http://www.sec.gov/Archives/edgar/data/798528/000119312510051349/d10k.htm>

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Odyssey Marine Exploration believes the information set forth in this Press Release may include "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Act of 1934. Certain factors that could cause results to differ materially from those projected in the forward-looking statements are set forth in "Risk Factors," and "Business" in the Company's Annual Report on Form 10-K for the year ended December 31, 2009, which has been filed with the Securities and Exchange Commission.