

**ODYSSEY MARINE EXPLORATION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

	<u>December 31,</u> <u>2007</u>	<u>December 31,</u> <u>2006</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents .....	\$ 18,321,349	\$ 2,415,842
Accounts receivable, net .....	585,051	443,523
Inventory .....	2,024,676	2,263,078
Other current assets .....	401,329	359,665
<b>Total current assets .....</b>	<b><u>21,332,405</u></b>	<b><u>5,482,108</u></b>
 <b>PROPERTY AND EQUIPMENT</b>		
Equipment and office fixtures .....	13,495,418	12,764,389
Building and land .....	3,709,873	3,709,873
Accumulated depreciation .....	(6,875,121)	(4,539,855)
<b>Total property and equipment .....</b>	<b><u>10,330,170</u></b>	<b><u>11,934,407</u></b>
 <b>OTHER ASSETS</b>		
Inventory (non-current) .....	5,746,970	7,353,159
Attraction development .....	—	1,261,573
Other long term assets .....	1,148,155	1,176,606
<b>Total other assets .....</b>	<b><u>6,895,125</u></b>	<b><u>9,791,338</u></b>
<b>Total assets .....</b>	<b><u>\$ 38,557,700</u></b>	<b><u>\$ 27,207,853</u></b>
 <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable .....	\$ 776,378	\$ 498,482
Accrued expenses .....	3,562,260	1,947,082
Mortgage and loans payable .....	449,024	3,443,605
Deposits .....	82,090	11,979
<b>Total current liabilities .....</b>	<b><u>4,869,752</u></b>	<b><u>5,901,148</u></b>
 <b>LONG TERM LIABILITIES</b>		
Mortgage and loans payable .....	2,601,286	3,053,485
Deferred income from Revenue Participation Certificates .....	887,500	887,500
<b>Total long term liabilities .....</b>	<b><u>3,488,786</u></b>	<b><u>3,940,985</u></b>
<b>Total liabilities .....</b>	<b><u>8,358,538</u></b>	<b><u>9,842,133</u></b>
 <b>STOCKHOLDERS' EQUITY</b>		
Preferred stock - \$.0001 par value; 2,469,980 shares authorized; none outstanding .....	—	—
Preferred stock series D convertible - \$.0001 par value; 7,340,000 shares authorized; 6,900,000 and 2,500,000 issued and outstanding, respectively .....	690	250
Preferred stock series E convertible - \$.0001 par value; 20 shares authorized; 13 issued and outstanding .....	—	—
Preferred stock series F convertible - \$.0001 par value; 30 shares authorized; 22 issued and outstanding .....	—	—
Common stock - \$.0001 par value; 100,000,000 shares authorized; 47,766,848 and 46,785,254 issued and outstanding .....	4,777	4,678
Additional paid-in capital .....	92,441,209	55,437,954
Accumulated deficit .....	(62,247,514)	(38,077,162)
<b>Total stockholders' equity .....</b>	<b><u>30,199,162</u></b>	<b><u>17,365,720</u></b>
<b>Total liabilities and stockholders' equity .....</b>	<b><u>\$ 38,557,700</u></b>	<b><u>\$ 27,207,853</u></b>

**ODYSSEY MARINE EXPLORATION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**

	12 Month Period Ended December 31, 2007	12 Month Period Ended December 31, 2006	12 Month Period Ended December 31, 2005
REVENUE.....	\$ 6,146,889	\$ 5,063,920	\$ 10,036,575
<b>OPERATING EXPENSES</b>			
Cost of sales.....	2,291,540	1,087,830	1,098,014
Operations and research.....	14,282,070	15,025,525	11,294,015
Marketing, general and administrative .....	13,333,177	8,695,309	9,294,056
Total operating expenses .....	<u>29,906,787</u>	<u>24,808,664</u>	<u>21,686,085</u>
LOSS FROM OPERATIONS .....	(23,759,898)	(19,744,744)	(11,649,510)
<b>OTHER INCOME OR (EXPENSE)</b>			
Interest income.....	335,066	103,580	57,882
Interest expense .....	(475,368)	(305,644)	(121,439)
Other income .....	67,346	858,723	74,692
Total other income or (expense) .....	<u>(72,956)</u>	<u>656,659</u>	<u>11,135</u>
LOSS BEFORE INCOME TAXES.....	(23,832,854)	(19,088,085)	(11,638,375)
Income tax (provision) benefit.....	—	—	(3,281,510)
NET LOSS.....	<u>\$ (23,832,854)</u>	<u>\$ (19,088,085)</u>	<u>\$ (14,919,885)</u>
<b>LOSS PER SHARE</b>			
Basic .....	\$ (.51)	\$ (.41)	\$ (.35)
Diluted .....	\$ (.51)	\$ (.41)	\$ (.35)
Weighted average number of common shares outstanding			
Basic .....	47,139,088	46,150,593	42,373,217
Diluted .....	47,139,088	46,150,593	42,373,217

**ODYSSEY MARINE EXPLORATION, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	12 Month Period Ended December 31, 2007	12 Month Period Ended December 31, 2006	12 Month Period Ended December 31, 2005
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net Loss .....	\$ (23,832,854)	\$ (19,088,085)	\$ (14,919,885)
Adjustments to reconcile net loss to net cash used by operating activity:			
Tax benefit related to exercise of employee stock options .....	—	—	453,110
Share based compensation .....	1,337,650	928,880	38,101
Depreciation.....	3,535,852	3,139,589	1,445,551
(Gain) Loss on disposal of equipment .....	18,576	(139,659)	43,528
(Increase) decrease in:			
Accounts receivable.....	(141,528)	1,047,642	210,004
Inventory.....	1,844,591	952,071	(717,110)
Other assets.....	(21,956)	90,285	(687,797)
Deferred tax asset .....	—	—	2,828,400
Increase (decrease) in:			
Accounts payable.....	277,896	(102,644)	9,988
Accrued expenses and other .....	1,874,681	66,266	319,041
<b>NET CASH (USED) IN OPERATING ACTIVITIES .....</b>	<b>(15,107,092)</b>	<b>(13,105,655)</b>	<b>(10,977,069)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, equipment and improvements.....	(679,874)	(2,310,954)	(1,869,532)
Attractions development.....	—	(150,667)	(3,656,982)
Proceeds from sale of equipment.....	—	553,240	49,647
<b>NET CASH (USED) IN INVESTING ACTIVITIES.....</b>	<b>(679,874)</b>	<b>(1,908,381)</b>	<b>(5,476,867)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from issuance of common stock.....	2,049,250	1,946,193	16,848,813
Proceeds from issuance of loan payable .....	—	5,185,485	11,433
Proceeds from issuance of preferred stock .....	33,135,000	8,750,000	—
Broker commissions and fees on private offering.....	(45,000)	(57,000)	—
Repayment of mortgage and loans payable .....	(3,446,777)	(1,678,161)	(173,700)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES.....</b>	<b>31,692,473</b>	<b>14,146,517</b>	<b>16,686,546</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....</b>	<b>15,905,507</b>	<b>(867,489)</b>	<b>232,610</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....</b>	<b>2,415,842</b>	<b>3,283,331</b>	<b>3,050,721</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR .....</b>	<b>\$ 18,321,349</b>	<b>\$ 2,415,842</b>	<b>\$ 3,283,331</b>
<b>SUPPLEMENTARY INFORMATION:</b>			
Interest paid .....	\$ 471,943	\$ 303,388	\$ 119,174
Income taxes paid .....	\$ —	\$ —	\$ —
<b>NON CASH TRANSACTIONS:</b>			
Depreciation reclassified as inventory .....	\$ —	\$ —	\$ 72,912
Compensation paid by common stock .....	\$ 349,395	\$ —	\$ 100,000
Settlement of accounts receivable with accounts payable .....	\$ —	\$ 53,539	\$ 317,350
Building and equipment purchased with financing.....	\$ —	\$ 1,120,000	\$ —