

PART I: FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

ODYSSEY MARINE EXPLORATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	<u>(Unaudited)</u> <u>March 31,</u> <u>2007</u>	<u>December 31,</u> <u>2006</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents.....	\$ 4,241,782	\$ 2,415,842
Accounts receivable, net	1,590,053	443,523
Inventory	2,914,258	2,263,078
Other current assets	458,390	359,665
Total current assets	9,204,483	5,482,108
PROPERTY AND EQUIPMENT		
Equipment and office fixtures	13,018,909	12,764,389
Building and land	3,709,873	3,709,873
Accumulated depreciation	(5,118,817)	(4,539,855)
Total property and equipment	11,609,965	11,934,407
OTHER ASSETS		
Inventory (non current)	6,340,469	7,353,159
Attraction development	1,255,588	1,261,573
Other non current assets	1,181,533	1,176,606
Total other assets	8,777,590	9,791,338
Total assets	\$ 29,592,038	\$ 27,207,853
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 462,323	\$ 498,482
Accrued expenses	1,214,917	1,947,082
Mortgage and loans payable	3,445,629	3,443,605
Deposits	11,979	11,979
Total current liabilities	5,134,848	5,901,148
LONG TERM LIABILITIES		
Mortgage and loans payable	2,936,420	3,053,485
Deferred income from Revenue Participation Certificates	887,500	887,500
Total long term liabilities	3,823,920	3,940,985
Total liabilities	8,958,768	9,842,133
STOCKHOLDERS' EQUITY		
Preferred stock - \$.0001 par value; 1,960,000 shares authorized; none outstanding	—	—
Preferred stock series A convertible - \$.0001 par value; 510,000 shares authorized; none issued or outstanding	—	—
Preferred stock series D convertible - \$.0001 par value; 7,340,000 shares authorized; 4,700,000 issued and outstanding	470	250
Common stock - \$.0001 par value; 100,000,000 shares authorized; 46,897,833 and 46,785,254 issued and outstanding	4,690	4,678
Additional paid-in capital	62,852,929	55,437,954
Accumulated deficit	(42,224,819)	(38,077,162)
Total stockholders' equity	20,633,270	17,365,720
Total liabilities and stockholders' equity	\$ 29,592,038	\$ 27,207,853

The accompanying notes are an integral part of these financial statements.

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

	Three Months Ended	
	March 31, 2007	March 31, 2006
REVENUE.....	\$ 2,149,197	\$ 865,179
OPERATING EXPENSES		
Cost of sales.....	486,030	114,330
Marketing, general & administrative.....	2,663,753	2,401,361
Operations & research.....	2,753,832	2,264,055
Total operating expenses.....	5,903,615	4,779,746
INCOME (LOSS) FROM OPERATIONS	(3,754,418)	(3,914,567)
OTHER INCOME (EXPENSE)		
Interest income	43,857	13,703
Interest expense	(123,413)	(42,120)
Other.....	23,815	14,297
Total other income (expense).....	(55,741)	(14,120)
INCOME (LOSS) BEFORE INCOME TAXES.....	(3,810,159)	(3,928,687)
Income tax benefit (provision)	—	—
NET INCOME (LOSS).....	(3,810,159)	(3,928,687)
EARNINGS (LOSS) PER SHARE		
Basic and diluted	\$ (.09)	\$ (.09)
Weighted average number of common shares outstanding		
Basic and diluted.....	46,855,226	45,965,907

The accompanying notes are an integral part of these financial statements.

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

	Three Months Ended	
	March 31, 2007	March 31, 2006
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	\$ (3,810,159)	\$ (3,928,687)
Adjustments to reconcile net loss to net cash used by operating activity:		
Depreciation and amortization	582,048	496,841
Loss on disposal of equipment.....	18,576	—
Share-based compensation.....	270,813	41,508
(Increase) decrease in:		
Accounts receivable	(1,146,530)	491,080
Inventory	361,510	(49,322)
Other assets	(105,838)	91,101
Increase (decrease) in:		
Accounts payable	(36,159)	(242,010)
Customer deposits	—	33,334
Accrued expenses.....	(542,770)	(955,553)
NET CASH (USED) IN OPERATING ACTIVITIES	(4,408,509)	(4,021,708)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(268,011)	(211,167)
NET CASH (USED) IN INVESTING ACTIVITIES.....	(268,011)	(211,167)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock.....	62,500	313,068
Proceeds from issuance of preferred stock.....	6,600,000	8,750,000
Broker commission and fees on private offering.....	(45,000)	—
Proceeds from mortgage and loans payable.....	—	1,511,250
Repayment of mortgage and loans payable.....	(115,040)	(1,536,433)
NET CASH PROVIDED BY FINANCING ACTIVITIES.....	6,502,460	9,037,885
NET INCREASE IN CASH	1,825,940	4,805,010
CASH AT BEGINNING OF PERIOD.....	2,415,842	3,283,331
CASH AT END OF PERIOD.....	\$ 4,241,782	\$ 8,088,341
SUPPLEMENTARY INFORMATION:		
Interest paid.....	\$ 112,370	\$ 34,045
Income taxes paid.....	\$ —	\$ —
NON CASH TRANSACTIONS:		
Beneficial conversion option related to preferred stock issuance.....	\$ 337,498	\$ —
Settlement of accounts receivable with accounts payable.....	\$ —	\$ 53,539
Accrued compensation paid by common stock.....	\$ 189,395	\$ —