

ODYSSEY MARINE EXPLORATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	<u>(Unaudited)</u> <u>September 30,</u> <u>2006</u>	<u>December 31,</u> <u>2005</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents.....	\$ 1,361,025	\$ 3,283,331
Accounts receivable, net	1,056,921	1,527,913
Inventory	2,639,393	4,728,394
Other current assets	358,262	729,678
Total current assets	5,415,601	10,269,316
PROPERTY AND EQUIPMENT		
Equipment and office fixtures	12,989,725	10,745,738
Building and land	3,709,873	3,973,988
Accumulated depreciation.....	(4,073,929)	(2,738,572)
Total property and equipment.....	12,625,669	11,981,154
OTHER ASSETS		
Inventory (non current)	7,322,031	5,839,914
Attraction development	1,245,252	1,172,475
Other non current assets	1,162,697	927,599
Total other assets	9,729,980	7,939,988
Total assets	\$ 27,771,250	\$ 30,190,458
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 562,905	\$ 601,129
Accrued expenses.....	1,071,325	1,843,261
Mortgage and loans payable.....	1,947,412	111,433
Deposits.....	20,090	103,069
Total current liabilities.....	3,601,732	2,658,892
LONG TERM LIABILITIES		
Mortgage and loans payable.....	3,163,861	1,758,333
Deferred income from Revenue Participation Certificates.....	887,500	887,500
Total long term liabilities.....	4,051,361	2,645,833
Total liabilities	7,653,093	5,304,725
STOCKHOLDERS' EQUITY		
Preferred stock - \$.0001 par value; 6,800,000 and 9,300,000 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; 2,500,000 and 0 shares authorized, issued and outstanding.....	250	—
Common stock - \$.0001 par value; 100,000,000 Shares authorized; 46,127,678 and 45,823,224 issued and outstanding.....	4,613	4,582
Additional paid-in capital.....	53,413,275	43,870,228
Accumulated deficit	(33,299,981)	(18,989,077)
Total stockholders' equity	20,118,157	24,885,733
Total liabilities and stockholders' equity.....	\$ 27,771,250	\$ 30,190,458

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	
	September 30, 2006	September 30, 2005
REVENUE.....	\$ 586,778	\$ 986,682
OPERATING EXPENSES		
Cost of sales	303,189	190,633
Marketing, general & administrative.....	1,320,404	2,335,420
Operations & research.....	5,099,625	3,808,427
Total operating expenses.....	6,723,218	6,334,480
INCOME (LOSS) FROM OPERATIONS	(6,136,440)	(5,347,798)
OTHER INCOME (EXPENSE)		
Interest income	20,517	6,900
Interest expense	(86,179)	(32,365)
Other.....	11,325	13,127
Total other income (expense).....	(54,337)	(12,338)
INCOME (LOSS) BEFORE INCOME TAXES.....	(6,190,777)	(5,360,136)
Income tax benefit (provision)	—	2,239,053
NET INCOME (LOSS)	(6,190,777)	(3,121,083)
EARNINGS (LOSS) PER SHARE		
Basic and diluted	\$ (0.13)	\$ (0.07)
Weighted average number of common shares outstanding		
Basic and diluted.....	46,127,678	42,738,172

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

	Nine Months Ended	
	September 30, 2006	September 30, 2005
REVENUE.....	\$ 3,409,790	\$ 8,162,016
OPERATING EXPENSES		
Cost of sales	677,126	760,724
Marketing, general & administrative.....	5,904,750	6,539,865
Operations & research.....	11,101,612	7,961,558
Total operating expenses.....	17,683,488	15,262,147
INCOME (LOSS) FROM OPERATIONS	(14,273,698)	(7,100,131)
OTHER INCOME (EXPENSE)		
Interest income	90,377	22,397
Interest expense	(164,376)	(89,112)
Other.....	36,792	54,950
Total other income (expense).....	(37,207)	(11,765)
INCOME (LOSS) BEFORE INCOME TAXES.....	(14,310,905)	(7,111,896)
Income tax benefit (provision)	—	2,898,241
NET INCOME (LOSS)	(14,310,905)	(4,213,655)
EARNINGS (LOSS) PER SHARE		
Basic and diluted	\$ (0.31)	\$ (0.10)
Weighted average number of common shares outstanding		
Basic and diluted.....	46,066,563	41,246,622

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

	Nine Months Ended	
	September 30, 2006	September 30, 2005
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	\$ (14,310,905)	\$ (4,213,655)
Adjustments to reconcile net loss to net cash used by operating activity:		
Deferred income taxes	—	(3,351,351)
Depreciation and amortization.....	2,329,004	971,282
(Gain) Loss on disposal of equipment.....	(252,396)	43,528
Share-based compensation	425,260	—
Tax benefit related to exercise of employee Stock options	—	453,110
(Increase) decrease in:		
Accounts receivable	434,245	1,476,947
Inventory	606,884	(853,724)
Other assets	109,420	(286,925)
Increase (decrease) in:		
Accounts payable	(38,221)	110,691
Customer deposits	(82,979)	(2,695)
Accrued expenses	(718,401)	(490,311)
NET CASH (USED) IN OPERATING ACTIVITIES	(11,498,089)	(6,143,103)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment.....	(2,141,016)	(4,083,865)
Proceeds from sale of equipment	550,000	49,647
Attraction development.....	(72,776)	(1,151,745)
Purchase of building improvements.....	—	(245,803)
NET CASH (USED) IN INVESTING ACTIVITIES	(1,663,792)	(5,431,766)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock	413,068	13,547,062
Proceeds from issuance of preferred stock.....	8,750,000	—
Broker commission and fees on private offering	(45,000)	(445,000)
Proceeds from mortgage and loans payable.....	3,694,583	—
Repayment of mortgage and loans payable	(1,573,076)	(137,267)
NET CASH PROVIDED BY FINANCING ACTIVITIES	11,239,575	12,964,795
NET INCREASE (DECREASE) IN CASH.....	(1,922,306)	1,389,926
CASH AT BEGINNING OF PERIOD	3,283,331	3,050,721
CASH AT END OF PERIOD	\$ 1,361,025	\$ 4,440,647
SUPPLEMENTARY INFORMATION:		
Interest paid.....	\$ 155,425	\$ 87,367
Income taxes paid	\$ —	\$ —
NON CASH TRANSACTIONS:		
Depreciation capitalized as inventory	\$ —	\$ 72,912
Accounts receivable paid by services	\$ 53,539	\$ —
Accrued compensation paid by common stock.....	\$ —	\$ 100,000
Equipment purchased with financing.....	\$ 1,120,000	\$ —