ODYSSEY MARINE EXPLORATION INC

FORM 10KSB

(Annual Report (Small Business Issuers))

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U.S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-KSB

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year ended February 28, 2002

Commission File Number 0-26136

ODYSSEY MARINE EXPLORATION, INC.

(Exact name of small business issuer as specified in its charter)

Nevada	84-1018684
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3604 Swann Avenue, Tampa, Florida 33609
(Address of principal executive offices)

(813) 876-1776
(Registrant's telephone number including area code)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

[X] Yes [ ] No

As of May 15, 2002, the Registrant had 27,365,536 shares of Common Stock, $.0001 Par Value, outstanding, and the aggregate market value of the shares held by non-affiliates on that date was approximately $15,150,000.

Transitional Small Business Disclosure format: Yes [ ] No [X]

PART I

This Annual Report on Form 10-KSB contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The statements regarding Odyssey Marine Exploration, Inc. and its subsidiaries contained in this report that are not historical in nature, particularly those that utilize terminology such as "may," "will," "should," "likely," "expects," "anticipates," "estimates," "believes" or "plans," or comparable terminology, are forward-looking statements based on current expectations and assumptions, and entail various risks and uncertainties that could cause actual results to differ materially from those expressed in such forward-looking statements.

Important factors known to us that could cause such material differences are identified in this report and in our "RISK FACTORS" in Item 1. We undertake no obligation to correct or update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any future disclosures we make on related subjects in future reports to the SEC.

ITEM 1. DESCRIPTION OF BUSINESS

GENERAL

Odyssey Marine Exploration, Inc (the "Company" or "Odyssey"), is a Nevada corporation formed March 5, 1986. Our principal office is located at 3604 Swann Ave., Tampa, Florida 33609 and our phone number is (813) 876-1776.

The Company has two wholly owned subsidiaries, Odyssey Marine, Inc., a Florida corporation, that was incorporated on November 2, 1998, and Odyssey Explorer, Ltd., a Bermuda corporation organized March 18, 2002.

The Company maintains a web site at www.shipwreck.net.

DESCRIPTION OF BUSINESS

Odyssey is engaged in the business of conducting archaeologically sensitive recoveries of cargo and artifacts from various shipwrecks. The Company plans to produce revenue by exhibiting the artifacts and selling merchandise consisting of certain cargoes, replicas of the artifacts and general merchandise relating to the specific shipwrecks or the shipwreck business in general. In addition, the Company plans to produce revenue in the form of project sponsorships, the sale of intellectual property rights and the operation of one or more themed attractions and traveling exhibits.

The shipwreck business consists of six major component areas.

A. Project Development: Research and Government Liaison B. Offshore Search and Inspections C. Offshore Recovery Operations D. Conservation and Documentation of Artifacts E. Sharing the Knowledge and the Artifacts with the Public F. Marketing the Cargoes, Artifact Replicas and Ancillary Products

A. PROJECT DEVELOPMENT: RESEARCH AND GOVERNMENT LIAISON

The foundation for any shipwreck search and recovery expedition is the research behind the project. Not only is the research critical to evaluate the potential value, location and viability of a shipwreck project, but also to establish the historical significance and the archaeological approach to the excavation that may be required.

The Company uses several outside shipwreck researchers to identify potentially viable projects. Data from these researchers is brought in and checked against the Company's own database and resources, compared against information from other experts in the industry, then reviewed by a committee made up of members of management and one or more outside directors before further money is spent on the project.

Once a project looks promising, the next step is to develop a working relationship with the government or company that holds the rights to that shipwreck. Development of these relationships is often time-consuming and requires tremendous patience. Many foreign governments have had bad experiences with salvors in the past and are wary of private sector involvement with archaeologically significant shipwrecks.

In the case of shipwrecks that lie beyond any government's jurisdiction, how and where the artifacts or cargo from the shipwreck are brought ashore could determine whether the Company may legally claim the cargo.

Once the Company is satisfied with the historical research and its legal rights to a specific shipwreck, the project will enter the next phase.

B. OFFSHORE SEARCH AND INSPECTIONS

Most offshore search operations are conducted by first utilizing a combination side scan sonar/magnetometer to detect anomalies on the seabed. After one or more promising anomalies are located, a remotely operated vehicle ("ROV") is deployed to inspect and make a video record of the anomalies.

ROV's can be equipped with a wide variety of tools enabling the operator to pick up samples, dredge or remove sand and/or overburden, take video footage or still photos and to acquire approximate measurements of the visible wreck site.

There are several companies that lease the vessels, equipment and personnel necessary to conduct offshore search and recovery operations. While Odyssey owns most of its search equipment and one ROV, the Company intends to lease the necessary vessels and equipment until such time as the Company's utilization of vessels and equipment justifies ownership and the financing for such vessels and equipment is available. The Company retains its own project manager and operational control to ensure quality control.

C. OFFSHORE RECOVERY OPERATIONS

Since all of the Company's projects are currently located in deep water, recovery operations will most likely be conducted utilizing remote operated vehicles.

How a recovery operation will be conducted depends on a number of factors including the depth of the water, the age, condition, historical and archaeological importance of the wreckage, local weather and tidal conditions.

Once the decision has been made to recover a shipwreck, the Company will work with vessel and equipment contractors, archeologists and other interested parties to determine the most appropriate method of recovery.

D. CONSERVATION AND DOCUMENTATION OF ARTIFACTS.

Conservation of artifacts has, in recent years, become a well-documented and organized function that can be undertaken efficiently by any number of professional organizations. The Company may contract these services or elect to establish its own conservation facilities if recovery operations are successful.

E. SHARING THE KNOWLEDGE AND THE ARTIFACTS WITH THE PUBLIC

The success of the movie Titanic, and the associated success of the sale of coal pieces from the shipwreck, books about the tragedy, sale of media rights and Discovery Channel coverage, as well as the popularity of the traveling artifact exhibit underscore the importance of the public's exposure to the excitement of shipwrecks.

The Company plans to use documentaries, movies, books and major Internet communication facilities to provide the media with the technical and historical stories that the public finds so interesting. The Company plans to partner with major media outlets and publishers to provide self-liquidating promotional opportunities that should provide income as well as exposure.

The heightened public awareness translates into brand equity in the shipwreck cargoes and artifacts that management believes will significantly enhance their value and collectibility.

F. MARKETING THE CARGOS, ARTIFACT REPLICAS AND ANCILLARY PRODUCTS

As the shipwreck industry moves from "treasure hunting" to legitimate private sector businesses specializing in shipwreck exploration, a new business model is being developed. This model reflects the unique archaeological nature of the shipwreck resources while developing multiple revenue streams.

Odyssey plans to capitalize on the public's fascination with shipwrecks by developing opportunities that allow the public to share in the excitement of deep ocean exploration. These plans include: joining the expedition as "adventure tourists", following the expedition on the Internet, watching television specials that bring together the history, search and recovery of shipwrecks, viewing video of recovery operations, owning coins or artifact replicas, and viewing shipwreck artifacts at both traveling and permanent exhibitions and tourist attractions.

Each shipwreck project is different, and Odyssey expects to generate different combinations of revenue from each project. The Company believes its five primary sources of revenue will be cargo and trade good sales, merchandise sales, exhibit income, sponsorships and intellectual property (IP) rights.

CARGO AND TRADE GOODS SALES

Cargo and trade good sales refer to items or "cargo" found on ships that are not considered archaeologically significant. For example, from a shipwreck found with a large cargo of coins, Odyssey might market and sell those coins, after significant study of the collection and setting aside a representative

sample for future study. Another project may recover gold bullion, which could quickly be sold. Other shipwrecks may never produce revenue from cargo sales. An example of this would be the "Melkarth" shipwreck, the ancient Punic or Phoenician shipwreck discovered by Odyssey in September 1998. The artifacts recovered from a shipwreck of this type may be too culturally and archaeologically significant to split up the collection by selling the artifacts piecemeal. For shipwrecks such as the "Melkarth", the other identified revenue streams should allow Odyssey to recover, conserve and publish these archaeologically significant finds.

MERCHANDISE SALES

Merchandise sales will comprise any items sold that were not recovered from a particular shipwreck. This merchandise can include artifact replicas (including jewelry), logo merchandise, videotapes, books and other products. Merchandise may be sold through retail outlets, over the Internet (e-commerce), in conjunction with exhibits, and through direct marketing, including home shopping or documercials.

EXHIBIT INCOME

The Company believes that it can generate income by exhibiting recovered artifacts and selling merchandise to the attendees. Several types of

exhibits under consideration are: (i) Permanent exhibits or museums, which would be located in high traffic tourist areas and feature artifacts and exhibits from several shipwrecks on a rotating basis; (ii) Large market exhibits, which could travel to larger cities and stay in place for 4 to 6 months featuring artifacts and exhibits from very important shipwrecks; and (iii) Short term traveling exhibits, which could consist of weeklong stops in secondary and tertiary markets which may be held in conjunction with one or more project sponsors. In addition to income from exhibit admission fees, all of the exhibit plans include opportunities for sponsorship income and merchandising through the sale of cargo, artifact replicas and/or other related merchandise.

SPONSORSHIPS

Sponsorship opportunities will be available for some of Odyssey's projects. These corporate or institutional sponsorship opportunities will allow appropriate companies or products to share the media exposure and promotional opportunities associated with specific Odyssey expeditions, from search and recovery through exhibit of artifacts.

INTELLECTUAL PROPERTY

Intellectual Property (IP) rights include media rights (television, film, book, video, and photos), and licensing fees. "Rights" fees to shipwreck projects will be weighed against the PR value of the exposure (which drives merchandise sales), and what future rights the company may retain to promote sales.

The current increase in the number of digital television channels should drive a major increase in the need for content (programming). Retaining some or all rights to the television specials produced for each project could generate additional revenue stream from licensing fees to the domestic and international television markets long into the future.

ACTIVE PROJECTS

The Company currently has several projects in various stages of development and has plans to conduct operations on from one to three of its sites during 2002. All of the shipwrecks that Odyssey seeks to locate and recover are given "project names". These names are not the actual names of the shipwrecks, except in the case of HMS Sussex.

SUSSEX PROJECT

The "Sussex Project" (formerly known as the Cambridge Project) is an expedition to locate, recover and market the artifacts and cargo of a large colonial-period warship, HMS Sussex, lost in a severe storm in the 1600's. Based on research conducted by the Company and its researchers, management believes that there is a high probability that the ship was carrying a cargo of coins with a bullion value of between $20 and $75 million and a potential numismatic value of between $200 million to over $1 billion. This will depend on whether the specie referenced in research documents is gold or silver, its denomination and condition, and the method chosen for marketing.

The Company conducted offshore search operations on this project in 1998, 1999, 2000 and 2001. In the course of these expeditions, over 400 square miles of seabed in the Western Mediterranean were searched in an attempt to locate HMS Sussex.

Odyssey used side scan sonar and bathymetric surveys to map the sea floor and locate potential targets. The most promising anomalies were inspected visually with a remotely operated vehicle (ROV). During the course of Odyssey's search expeditions, 418 targets were located. Several of those targets turned out to be ancient shipwreck sites, including Phoenician and Roman sites over 2,000 years old. Many were modern shipwrecks, geology or debris.

Out of all these targets, only one site, nearly 3000 feet deep, contained cannon - and it was very close to the position where the Fleet's secretary reported in 1694 that the Sussex had foundered. Ten days of the 2001 expedition were spent in an attempt to identify the shipwreck remains at this site. This archaeological investigation, directed by project archeologist, Neil Cunningham Dobson, examined the site in great detail using the Achilles ROV system and special tooling for uncovering and recovering artifacts. In all, seventeen ROV dives were undertaken, clocking over 65 hours of dive time. The site was mapped and video taped. Measurements were taken and several artifacts were retrieved for identification purposes.

After extensive study, Dobson summarized in the conclusion of his archaeological report that "study of the survey data, the historical and documentary sources, the underwater investigations, the location, the size and shape of the site and the cannon distribution and sizes indicate the site is that of the Sussex."

The Company is currently negotiating with the British Ministry of Defence ("MoD") for a License permitting the exploration of HMS Sussex. Originally predicted by the MoD to be completed no later than March 1, 2002, this negotiation has taken longer than anticipated due to the complex nature of the license, which is the first of its kind issued by Great Britain to the private sector on a Sovereign vessel. The negotiation has also been complicated by the inclusion of several Ministries outside of the MoD who have contributed to the negotiations.

REPUBLIC PROJECT

The "Republic Project" is an attempt to locate, identify, recover, conserve and market the cargo of a steam ship that sank after the Civil War. According to the Company's research, the "Republic's" cargo is believed to include approximately 48,000 troy ounces of gold. While the bullion value (at $300 per ounce) is approximately $14,400,000, much of the gold may have been shipped as dust, nuggets, and privately minted coins and bars from the gold fields, potentially increasing the value of the cargo. Another Company offered the "Republic Project" to the Company in 1999. After conducting research and due diligence on the project, the Company signed an Agreement to take over the project. The Agreement provides for the Company to assume all financial and management responsibilities for the Project. The Company is obligated to pay twenty percent of the Adjusted Gross Profit to the researchers and approximately five percent of the gross recovery to insurance interests. In addition, the Company sold Revenue Participation Certificates to individuals in order to finance the project. These individuals will receive approximately five percent of the Adjusted Gross Revenue. During 1999, the Company conducted ROV inspections of the anomalies identified during a previous side scan survey of the area. Although certain anomalies were found, it was determined that the positioning data was generally unreliable, so plans were made to continue the operation in 2000.

During June 2000, the Company conducted side scan and ROV operations over an area of approximately 65 square miles and during September 2000, the company side scanned an additional 80 square miles. The Company has reviewed the data and does not believe the shipwreck is within the areas searched.

During 2001, Mr. Jeff Hummel, a researcher for the project, conducted search operations in an area in which he believed the shipwreck might have sunk. He was unsuccessful in locating the wreckage and has indicated he may want to attempt another expedition during the 2002 calendar year.

Depending on whether or not Mr. Hummel attempts another expedition and the results of that potential expedition, Odyssey may return to the search area during September or October of 2002.

If the Republic is located, recovery operations will begin as soon as the archaeological excavation plan is complete, the necessary recovery funds have been secured and the required vessel and equipment can be mobilized.

CONCEPCION PROJECT

The "Concepcion Project" is a project attempting to locate, identify, recover, conserve and market the cargo of an early 18th century shipwreck that sank while carrying a large cargo of gold. Value estimates by Management for the Concepcion Project range from a gold bullion value of approximately $35 million to a potential numismatic and collector's value of well over $100 million.

As a result of legal and diplomatic situations, the company has not conducted operations on this project since 1998.

The Company plans to continue monitoring the situation and will resume the search for the shipwreck if and when the legal and diplomatic situation presents an opportunity for continued operations.

BAVARIA PROJECT

The Bavaria Project is an expedition attempting to locate and recover the cargo of a nineteenth century steamship sunk in deep water off the east coast of the United States. The Company's research indicates that the steamer was carrying a large shipment of gold coins at the time of her loss.

Odyssey began search operations during May 2002 and anticipates searching the entire area of probability before the end of July. Assuming the shipwreck is located, the Company anticipates that recovery operations will begin as soon as the archaeological excavation plan is complete, the necessary recovery funds have been secured and the required vessel and equipment can be mobilized. Based on the projected location of the shipwreck, and the circumstances relating to its ownership at the time of its loss, no permits will be necessary to begin recovery operations. The company believes that the only potential claimants might be one or more insurance companies. If such insurance claims are made, the company believes that current case law would limit such claims to less than 10% of any insured items recovered from the site.

DEEP-WATER VS SHALLOW WATER OPERATIONS

The shipwreck business is broken into two primary areas: deep-water projects and shallow water projects. Traditionally shallow water projects, those easily accessed by divers with scuba gear, have comprised nearly 100% of the industry, primarily because the cost of entry is relatively low.

Some of the worlds most famous shipwreck discoveries were made with minimal investment. As a result, the lack of archaeological

professionalism associated with these projects brought a tremendous amount of criticism from the archaeological community. While this didn't dampen the public's enthusiasm for these ventures, the resulting conflict with the archaeological and scientific community caused a great deal of wariness in government and bureaucratic circles. The net result was a burgeoning body of law designed to limit or prevent access to shipwrecks. Many of the countries that are richest in potential shipwreck projects have enacted legislation that prevents salvors or divers from even touching these sites.

In addition to these problems of working in shallow water, there are several other factors that make shallow water shipwreck projects more risky. They include:

* Many competitors can afford to engage in shallow water projects.
* Ease of pirates stealing artifacts from shallow water sites.
* Possibility that the shipwrecks were already salvaged.
* Probability that the site is scattered over a large area by waves and currents.
* Difficulty of security when working with divers.
* Problems extracting encrusted and coral-covered artifacts.

Deep-water shipwrecks, on the other hand, exhibit characteristics that make them much more suitable for legitimate commercial operations. They include:

* It is usually easier to gain title to shipwrecks in international waters.
* Depth is a barrier to all but well-funded commercial operations.
* Deep shipwrecks tend to be in one capsule, perfect for archaeological excavation.

* In water greater than 200 meters, there is typically little coral or encrustation.
* Difficulty of access provides good site security.
* Expense dictates that archaeologists can't reach sites without commercial help.
* There is a high probability that shipwrecks have not been previously salvaged.
* High cost creates need for professionalism in all commercial operations.
* High tech nature of operation increases public interest.

For these reasons the Company has decided to concentrate on deep-water shipwreck projects.

COMPETITION

The Company is aware of the following companies that are currently engaged in the deep-water shipwreck business:

* Nauticos
* Columbus America Group
* RMS Titanic, Inc.

While each of these companies could be considered competitors, management does not believe that any of them are interested in any of the Company's current or planned projects.

There are also several companies engaged in deep-water oil exploration and seismic research. While these companies may own and operate the type of equipment necessary to locate and recover shipwrecks, the Company does not consider them to be competitors but rather potential suppliers.

On the marketing side, there are a few shops and small museums around the country that market shipwreck artifacts.

EFFECT OF EXISTING OR PROBABLE GOVERNMENTAL REGULATIONS ON THE BUSINESS

To the extent that the Company engages in shipwreck search and recovery activities in the territorial, contiguous or exclusive economic zones of countries, the Company must comply with applicable regulations and treaties. Prior to engaging in any project, the Company seeks legal advice to ascertain what effect this may have on the financial returns of the operation. This factor is taken into account in determining whether to proceed with a project as planned. In addition, the Convention for the Protection of Underwater Cultural Heritage has recently been adopted by the United Nations Educational, Scientific & Cultural Organization ("UNESCO"). This Convention could restrict access to historical shipwrecks throughout the world to the extent that it would require compliance with certain guidelines. These guidelines require adherence to strict archaeological practices, and the Company intends to follow these guidelines in all projects to which they are applicable. Greg Stemm, a Company officer and director, was a member of the United States delegation that negotiated this Convention, and as such provides Odyssey with a thorough understanding of the underlying principles and ramifications of the Convention.

The Convention states that artifacts may not be sold, but it also states that this prohibition may not prevent the provision of archaeological services, and Odyssey intends to provide such services in its contracts with Governments. The Company believes that the primary value of the cargoes it seeks are trade goods (such as coins, bullion and gems), which are not artifacts of historical, archaeological or cultural significance and so will not be subject to the rule prohibiting sale. The primary countries through which Odyssey plans on obtaining rights to shipwrecks through regulatory or legal means have already indicated that they will not sign the Convention. Nevertheless, the Company believes that the proposed convention, if adopted, could increase regulation of shipwreck recovery operations and may result in higher costs.

COST OF ENVIRONMENTAL COMPLIANCE

While offshore operations and the operation of vessels require compliance with numerous environmental regulations, the Company intends to lease or charter the necessary vessel and equipment thereby transferring the responsibility of environmental compliance to the equipment and vessel owners.

EMPLOYEES

The Company has 8 full time employees. In addition, the Company hires subcontractors and consultants from time to time to perform specific services.

RISK FACTORS

Investors in shares of the Company's Common Stock should consider the following risk factors, in addition to other information in this Report:

1. SPECIAL RISKS OF THE BUSINESS. An investment in a business such as that of the Company should be considered extremely speculative and very risky. Although the Company has access to a substantial amount of research and data, which has been compiled regarding its various projects, the quality and reliability of such research and data, like all research and data of its nature, is unknown. Even if the Company is able to plan and obtain permits for its various projects, there is a possibility that the shipwrecks may have been salvaged, or may not have had anything of value on board at the time of the sinking. Furthermore, even if objects of believed value are located and recovered, there is the possibility that others, including both private parties and governmental entities, asserting conflicting claims, may challenge the Company's rights to the recovered objects. Finally, even if the Company is successful in locating and retrieving objects from a shipwreck and establishing good title thereto, there can be no assurance as to the value that such objects will bring at their sale, as the market for such objects is very uncertain.

2. UNCERTAIN RELIABILITY OF RESEARCH AND DATA. The success of a shipwreck project will be dependent to a substantial degree upon the research and data assimilated by the Company. By its very nature, however, all such research and data regarding shipwrecks, such as those sought by the Company, is imprecise, incomplete and unreliable as it is often composed of or effected by numerous assumptions, rumors, "legends", historical and scientific inaccuracies and inaccurate interpretations which have become a part of such research and data over time.

3. DEPENDENCE ON OTHERS FOR LOCATION AND RECOVERY OF WRECKSITES. While the Company currently owns certain search equipment, including side scan sonar, navigation equipment and an ROV capable of operations to approximately 1,000 feet, it will be necessary to contract with third parties for any additional equipment and/or labor necessary for the location and recovery of wrecksites. There can be no assurance that financing or third party contracts will be available to the Company. The availability of specialized recovery equipment may present a problem, and the cost of obtaining the use of such equipment to conduct recovery operations is uncertain and will depend on, in part, the location and condition of the wreckage to be recovered.

4. NATURAL HAZARDS. Underwater recovery operations are inherently difficult and dangerous and may be delayed or suspended by weather, sea conditions or other natural hazards. Further, such operations may be undertaken more safely during certain months of the year than during others. There can be no assurances that the Company and/or entities it is affiliated with will be able to conduct their search and/or recovery operations only during such favorable periods. In addition, even though sea conditions in a particular search location may be somewhat predictable, the possibility exits that unexpected conditions in a search area may occur and that such unexpected conditions might adversely affect the Company's operations. Further, it is possible that natural hazards may prevent or significantly delay search and/or recovery operations and therefore any distributions.

5. UNCERTAIN TITLE TO OBJECTS LOCATED. Persons and entities other than the Company and entities it is affiliated with (both private and governmental) may claim title to the shipwrecks. Even if the Company is successful in locating and recovering shipwrecks, there is no assurance that the Company will be able to establish its right to property recovered as against governmental entities, prior owners, or other attempted salvors claiming an interest therein.

6. UNCERTAIN MARKET FOR AND VALUE OF RECOVERED OBJECTS. Even if valuable items can be located and recovered, it is difficult to predict the price that might be realized for these items. The value of the recovered items will fluctuate with a precious metals market that has been highly volatile in recent years. Moreover, the entrance on the market of a large supply of similar items from shipwrecks located

and recovered by others could itself depress the market for these items.

7. DELAY IN DISTRIBUTION OR SALE OF RECOVERED OBJECTS. The methods and channels, which may be used in the disposition of the recovered items, are uncertain at present and may include one or a combination of several alter-natives. Ready access to buyers for disposition of any artifacts or other valuable items recovered, however, cannot be assured and delays in the disposition of such items are very possible.

8. THEFT. If the Company locates a shipwreck and asserts a valid claim to items of value, there is a risk of theft of such items at sea, both before and after their recovery, by "pirates" or poachers and while in transit to a safe destination.

9. COMPETITION. There are a number of competing entities engaged in various aspects of the shipwreck business. One or more of these competing entities may locate and recover the shipwreck that the Company is planning to locate and recover. In addition, these competing entities may be better capitalized and may have greater resources to devote to their pursuit of the shipwreck.

10. FAILURE TO OBTAIN PERMITS. It is possible that the Company will not be successful in obtaining title to, or permission to excavate the wrecks. In addition, permits for the projects may never be issued, and if issued, may not be legal or honored by the entities that issued them.

11. NEED FOR ADDITIONAL CAPITAL. Until the Company begins to generate revenue from the sale of recovered items, it will need additional capital in order to continue the search, recovery and marketing phases of its projects.

12. PUBLIC MARKET FOR THE COMPANY'S COMMON STOCK. Although there is a limited market for the Company's Common Stock, there can be no assurance that such a market can be sustained. The investment community could show little or no interest in the Company in the future. As a result, purchasers of the Company's securities may have difficulty in selling such securities should they desire to do so. The Common Stock currently trades on the OTC Bulletin Board.

13. CONTROL BY EXISTING MANAGEMENT. The current executive officers and directors of the Company control approximately 14.3% of the Company's outstanding voting power. Accordingly, the current executive officers and directors do not have the ability to significantly influence the outcome of elections of the Company's directors and other matters presented to a vote of shareholders.

14. DIFFICULTY IN TRADING "PENNY-STOCKS". The Company's securities may be subject to a rule that imposes additional sales practice requirements on broker-dealers who sell such securities to persons other than established customers (as defined in the rule) and accredited investors (generally, institutions and, for individuals, an investor with assets in excess of $1,000,000 or annual income exceeding $200,000 or $300,000 together with such investor's spouse). For transactions covered by this rule, the broker-dealer must make a special suitability determination for the purchaser and must have received the purchaser's written consent to the transaction prior to the purchase. Consequently, many brokers may be unwilling to engage in transactions in the Company's securities because of the added disclosure requirements, thereby making it more difficult for shareholders to resell Common Stock in the secondary market.

15. GENERIC PREFERRED STOCK AUTHORIZED. The Company's Articles of Incorporation authorize the issuance of up to 10,000,000 shares of Preferred Stock. The Board of Directors has the right to establish the terms, preference, rights and restrictions of the Preferred Stock. Other companies on occasion have issued series of such preferred stock with terms, rights, preferences and restrictions that could be considered to discourage other persons from attempting to acquire control of such companies and thereby insulate incumbent management. It is possible the Company could issue shares of its Preferred Stock for such a purpose. In certain circumstances, the existence of corporate devices that would inhibit or discourage takeover attempts could have a depressant effect on the market value of the Company's Common Stock.

ITEM 2. DESCRIPTION OF PROPERTY

The Company maintains its offices at 3604 Swann Avenue, Tampa, Florida 33609. The offices consist of approximately 2,900 square feet of office space that the Company leases from a non-affiliated company. The agreement began February 1, 2001 and expires January 31, 2003. The approximate rentals for the year ending February 28, 2002 and until the expiration of the lease on January 31, 2003 are approximately $44,800 and $41,100 respectively.

ITEM 3. LEGAL PROCEEDINGS

On October 14, 1999, a judgment was entered in favor of the Company against Treasure & Exhibits International, Inc. ("VNSR") in the principal amount of $341,500.08 plus prejudgment interest of $16,361.78. The suit stemmed from certain "put" options granted to the Company by VNSR. The Company was able to offset the judgment through the sale of shares of VNSR stock that it held, and in November 1999, the parties entered into a settlement agreement that was personally guaranteed by Mr. Larry Schwartz, the then president of VNSR.

On December 28, 1999, the Company filed suit in the Circuit Court for the Thirteenth Judicial Circuit in and for Hillsborough County Florida,

Civil Division against Larry Schwartz, seeking performance pursuant to his personal guarantee of the remaining VNSR debt. On March 7 2001, Odyssey was awarded a judgment in the amount of $102,515.76 against Larry Schwartz. The company is pursuing collection from both parties, but has not recorded an asset on the books with respect to this judgment.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITIES HOLDERS

On November 7, 2001, the holders of 15,051,245 shares of the Company's Common Stock (the "Common Stock") signed a written consent that became effective on December 5, 2001, approving amendments to the Company's 1997 Stock Option Plan to increase the number of shares of Common Stock covered by the Plan from 2,000,000 to 3,500,000 shares. On November 7, 2001, there were 26,365,536 shares of Common Stock issued and outstanding, and no shares of Preferred Stock outstanding. The consenting shareholders owned an aggregate of approximately 57.1% of the outstanding shares of Common Stock.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

(a) PRINCIPAL MARKET OR MARKETS.

The Company's Common Stock is traded on the OTC Bulletin Board under the symbol "OMEX." The following table sets forth the range for the high and low bid quotations for the Company's securities as reported by the OTC Bulletin Board. These prices are believed to be representative inter-dealer quotations, without retail markup, markdown or commissions, and may not represent actual transactions.

	Bid	
	High	Low
Quarter Ended		
February 29, 2000	$0.31	$0.13
May 31, 2000	$1.22	$0.19
August 31, 2000	$0.84	$0.31
November 30, 2000	$0.34	$0.07
February 28, 2001	$0.62	$0.08
May 31, 2001	$0.53	$0.27
August 31, 2001	$1.63	$0.27
November 30, 2001	$1.27	$0.61
February 28, 2002	$1.91	$0.51

(b) APPROXIMATE NUMBER OF HOLDERS OF COMMON STOCK.

The number of record holders of the Company's $.0001 par value Common Stock at April 30, 2002 was 155. This does not include shareholders that hold their stock in accounts in street name with broker/dealers.

(c) DIVIDENDS.

Holders of the Common Stock and Series B Preferred Stock are entitled to receive such dividends as may be declared by the Company's Board of Directors. No dividends have been paid with respect to the Company's Common or Preferred Stock and none are anticipated in the foreseeable future.

(d) RECENT SALES OF UNREGISTERED SECURITIES.

COMMON STOCK

During the three months ending February 28, 2002, the Company issued 200,000 shares of Common Stock to two directors for $200,000 in cash.

The securities were issued pursuant to the exemption provided by Section 4(2) of the Securities Act of 1933. The persons to whom these securities were issued were directors of the Company, who made an informed investment decision and had access to material information regarding the Company. The certificates representing such common shares bear an appropriate legend restricting the transfer of such securities, and stop transfer instructions have been provided to the Company's transfer agent in accordance therewith.

ITEM 6. MANAGEMENT'S PLAN OF OPERATION

In the long term, the Company expects to derive substantially all of its revenue through the sale and/or display of shipwreck cargoes and artifacts, including replicas, and potentially, through the operation of exhibits and/or themed attractions. Therefore, until the Company is successful in acquiring and marketing artifacts and/or cargoes or opening exhibits or themed attractions, it will be dependent upon investment

capital to meet its cash flow requirements. To date, the Company has conducted private placements of debt, equity and project specific revenue participation to meet its financial obligations.

For the next twelve months, the Company anticipates spending approximately $80,000 per month to pay salaries and general office expense.

Operationally, the Company is planning to conduct search operations on the Bavaria and Republic Projects, and to conduct recovery operation on the Sussex Project if and when a license is issued by the United Kingdom's Ministry of Defence and the appropriate financing is secured. Additionally, the Company plans to investigate exhibit and attraction opportunities.

The Company has budgeted $600,000 for the Bavaria search expedition. The funds necessary for this search operation were raised in a $1 million private placement of equity and warrants, which was concluded in May 2002. The balance of the private placement funds has been allocated to pay administrative and general overhead expense.

The Company has budgeted $350,000 to complete the Republic Project search. Whether or not the Company will be required to raise additional funding to complete the Republic search will depend on the amount of money spent on the Bavaria Project, the potential exercise of outstanding options and/or warrants (See Note M to the Financial Statements) and the method and amount of any potential funding raised in conjunction with the Sussex.

If the Company receives a license for the exploration and conservation of HMS Sussex, the Company anticipates project costs of between $2-4 million.

The Company may sell equity, project specific revenue participation, sponsorships or debt to meet its needs.

ITEM 7. FINANCIAL STATEMENTS

Please see pages F-1 through F-18.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

The following table sets forth the names, ages and positions of the officers

and
directors.

NAME	AGE	POSITION
John C. Morris	52	Chairman and CEO
Gregory P. Stemm	44	Vice-President - Research and Operations and Director
George Knutsson	63	Director
David J. Saul	62	Director
Henri Germain Delauze	72	Director
George J. Becker, Jr.	67	Chief Operating Officer
Michael V. Barton	42	Chief Financial Officer
David A. Morris	51	Secretary and Treasurer

There is no family relationship between any of the Directors or the Executive Officers of the Company except John Morris and David Morris who are brothers.

All directors will hold office until the next annual meeting of the Shareholders.

The following sets forth biographical information as to the business experience of each Officer and Director of the Company for at least the last five years.

John C. Morris has served as an Officer and Director of the Company since May 1994. Prior to that, Mr. Morris was an officer and director of Seahawk Deep Ocean Technology, Inc. ("SDOT") from March 1989, until January 1994. As President of SDOT, Mr. Morris was in charge of the Company that completed the first archaeologically sound recovery of a deep-water shipwreck, salvaging a Spanish shipwreck from approximately 1,500 feet of water near the Dry Tortugas. The recovery yielded nearly 17,000 artifacts consisting of gold, silver coins, pottery, pearls, jewelry, and numerous other artifacts. From 1992 until 1997, Mr. Morris served on the Board of Directors of the Florida Aquarium, a not for profit corporation engaged in the operation of a large aquarium facility in Tampa, Florida.

Gregory P. Stemm has served as Vice President, Research and Operations and as a member of the Board of Directors since May 1994 and is responsible for research and operations on all shipwreck projects. Prior to that, he served as an officer and director of Seahawk Deep Ocean Technology from the time he co- founded the company in 1989 until January 1994. Stemm is a member of the United States delegation to the United Nations, Educational, Scientific and Cultural Organization (UNESCO) expert meeting to consider the "Draft Convention for the Protection of Underwater Cultural Heritage". This group will determine future international deep-ocean shipwreck guidelines. As a principal of Seahawk, Stemm was involved in directing research and technology for the company, which resulted in locating two Spanish Colonial shipwrecks in depths greater than 1,000 feet. He was also responsible for directing the archaeological team and operations that accomplished the world's first remote archaeological excavation, in a depth of 1,500 feet southwest of the Florida Keys.

George Knutsson has served as a Director of the Company since June 2001. Since 1995, Mr. Knutsson has been the President and Chairman of American Boat Trailer Rental Company, Inc., which is the largest provider of boat trailer rentals in the Southeast US. In 1978, he founded Dollar Rental Car of Florida and served as CEO until 1990, when he sold the company. Mr. Knutsson also owned and operated Pirates Cove Marina in the Tampa Bay area from 1984 until he sold it in 1995. From 1995 to 1999, he was the founder and Chief Financial Officer of Pro-Tech Monitoring, which uses patented GPS/cellular technology in the monitoring and tracking of felons worldwide. He received his Bachelors degree from the University of Florida and a MBA from the University of South Florida.

Dr. David J. Saul, who is retired, has served as a member of the Company's Board of Directors since October 2001. Dr. Saul was the Premier and Minister of Finance of Bermuda from 1989 to 1995. In addition to his political background, Dr. Saul held two senior posts with Fidelity Investments, from 1984 through 1995, as the President of Fidelity Bermuda and Executive Vice President of Fidelity International. He retired from the firm in 1999, but remains a Director of Fidelity's main international Board, and a Director of some 40 other Fidelity Companies around the world - including the U.K., Bermuda, Jersey, Tokyo, Hong Kong, Cayman Islands, Luxembourg and Taiwan. Dr. Saul's professional activities include two stints as a Director of the Bermuda Monetary Authority and he currently serves as a Director of Lombard Odier (Bermuda), a subsidiary of the Swiss Bank, and a Director of the London Steam Ship Owners' Mutual Insurance Association (Bermuda) Ltd. A keen oceanographer

with a passion for shipwrecks and the sea, he is a founding Trustee of the Bermuda Underwater Exploration Institute, and a founding Director of the Professional Shipwreck Explorers Association.

Henri Germain Delauze has served as a member of the Company's Board of Directors since October 2001. Mr. Delauze, one of the world's leading underwater technology pioneers, brings extensive technical, operational and management expertise to Odyssey's Board of Directors. Mr. Delauze was founder of one of the world's leading underwater technology companies, COMPAGNIE MARITIME D'EXPERTISES (COMEX), where he has served as President since November 1961. Mr. DeLauze pioneered deep saturation diving using synthetic breathing mixtures. Delauze was the first man to reach 335 m. depth during an experimental dive in May 1968, and his company holds world records for both deep sea and chamber saturation diving. In 1975, he created COMEX INDUSTRIES and COMEX PRO, two subsidiaries that design, manufacture and market sophisticated equipment for professional diving, work submarines and remote operated vehicles (ROV's). COMEX SERVICES, the Group's oil subsidiary, extended its activities to all the major offshore oil production areas around the world from 1966 onwards. Mr. Delauze is still the principal shareholder of COMEX SA, which maintains the following divisions: CYBERNETIX (advanced robotics, manned observation submarines and ROVs/AUVs for scientific deep-water archaeology and military purposes), COMEX Marine Construction (shipyard situated in the Port Autonome de Marseille), COMEX PRO (manufactures hyperbaric centers for deep diving, large hospital centers and develops and manufactures ROVs, especially the ACHILLE and the 2,000 m. SUPER ACHILLE.) During the year 2000, COMEX S.A., its subsidiaries and CYBERNETIX (group consolidation) employed over 400 people, including 150 engineers.

George Becker Jr. joined Odyssey as Chief Operating Officer during April 2002. From 1992 until April 2002, Mr. Becker was the President of George J. Becker Jr. & Associates, consultants to companies in the leisure industry, themed attraction industry and the hospitality industry. Mr. Becker is a senior executive with thirty years experience in major leisure industry profit center development, management, marketing, staffing and operations. Mr. Becker is the former Executive Vice President of Sea World Inc., Chairman and Chief Executive Officer, Sea World of Texas, President and Chief Executive Officer of Sea World of California and President and Chief Executive Officer of Sea World of Florida. In 1997 Mr. Becker became President of Entercitement LLC. He led the creative concept and design of a proposed theme park in Indianapolis, Indiana. Park development was stopped in 1998 due to a lack of financing and Mr. Becker resigned in 1999 from Entercitement. Mr. Becker

has been recognized as a tourism leader for his work in several regions of the country. A skilled new business developer and team builder, Mr. Becker is known for creating viable management teams, which allow excellent productivity and harmony between employees of widely divergent skills and personalities. Becker has been active in a number of national, regional and state visitor organizations. He served as Executive Director of the Florida Tourism Commission. In 1983, he was President of the Florida Chamber of Commerce and in 1984 he chaired Governor Bob Graham's Commission on Public Facility Financing.

Michael V. Barton joined Odyssey during May 2002, to serve as Chief Financial Officer. Mr. Barton has spent nearly two decades working in the financial arena. From 1995 to May 2002 he was Vice President, Wealth Management Group for First Union National Bank where he has been assisting high net worth clients with estate and business succession planning, investment strategies and tax planning since 1995. Prior to that Mr. Barton has worked in the mutual fund industry as a Senior Compliance Officer and in public accounting. Mr. Barton received B.S. in Business Administration (Accounting) and Master of

Accountancy degrees from the University of South Florida. He maintains Certified Public Accountant and Certified Financial Planner designations. Mr. Barton has served in board member and officer positions with the Tampa Bay Estate Planning Council and as a volunteer with The United Way Evaluation Committee, H.Lee Moffitt Foundation Planned Giving Steering Committee and the Easter Seals Planned Giving Committee.

David A. Morris has served as Secretary and Treasurer of the Company since August 1997. Prior to that, Mr. Morris was employed by Seahawk Deep Ocean Technology where he was an Administrative Assistant to the Chief Financial Officer from 1994 through 1997, and manager of the Conservation and Archaeology departments from 1990 through 1994. Mr. Morris graduated with a Bachelor of Science degree in Mechanical Engineering from Michigan State University in 1974.

COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

Based solely on a review of Forms 3 and 4 and amendments thereto furnished to the Company during its most recent fiscal year, and Form 5 and amendments thereto furnished to the Company with respect to its most recent fiscal year and certain written representations, no persons who were either a Director, Officer or beneficial owner of more than 10% of the Company's Common Stock, failed to file on a timely basis reports required by Section 16(a) of the Exchange Act during the most recent fiscal year.

ITEM 10. EXECUTIVE COMPENSATION

The following table sets forth information regarding the executive compensation for the Company's President for the years ended February 28, 2002, February 28, 2001, and February 29, 2000, and each other executive officer who had total annual salary and bonus in excess of $100,000 during such years.

SUMMARY COMPENSATION TABLE

		Annual Compensation		Long-Term Compensation			
				Awards		Payouts	
Name and Principal Position	Year	Salary(1)	Bonus(1)	Re-stricted Stock Awards	Securi-ties Under-lying Options/ SARs(#)	LTIP Payout ($)	All Other Compen-sation
John C. Morris,	2002	$125,000	$ -0-	-0-	100,000	-0-	-0-
President	2001	$150,000	89,456	-0-	50,000	-0-	-0-
	2000	$150,000	25,000	-0-	220,000	-0-	-0-
Gregory P. Stemm,	2002	$125,000	$ -0-	-0-	100,000	-0-	-0-
Vice-President	2001	$150,000	89,456	-0-	50,000	-0-	-0-
	2000	$150,000	25,000	-0-	195,000	-0-	-0-
David A. Morris,	2002	$ 90,000	$ -0-	-0-	-0-	-0-	-0-
Secr/Treas	2001	$125,000	46,110	-0-	50,000	-0-	-0-
	2000	$125,000	15,000	-0-	195,000	-0-	-0-

(1) Included in the amounts shown as salary and bonus for the named persons are amounts that were deferred and subsequently forgiven. In January 2001, John C. Morris forgave $284,470 in unpaid compensation; Gregory P. Stemm forgave $288,236 in unpaid compensation; and David A. Morris forgave $150,775 in unpaid compensation.

See Item 12 Certain Relationships and Related Party Transactions.

OPTION GRANTS IN LAST FISCAL YEAR

	Individual Grants			
Name	Number of Securities Underlying Options Granted(#)	% of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price ($/Share)	Expiration Date
John C. Morris	100,000	40.0%	$ 0.50	6/12/2005
Greg P. Stemm	100,000	40.0%	$ 0.50	6/12/2005

AGGREGATE OPTION EXERCISES IN YEAR ENDED FEBRUARY 28, 2002 AND FEBRUARY 28, 2002 OPTION VALUES

Name	Shares Acquired on Exercise (Number)	Value Realized	Securities Underlying Unexercised Options at February 28, 2002 Exercisable/ Unexercisable	Value of Unexercised In-The-Money Options at February 28, 2002 Exercisable/ Unexercisable
John C. Morris	-0-	-0-	395,000/ 50,000	$76,000/$33,000
Greg P. Stemm	-0-	-0-	370,000/ 50,000	76,000/ 33,000

David A. Morris -0- -0- 320,000/ -0- 43,000/ -0-

EMPLOYMENT AGREEMENTS

John Morris, Greg Stemm and David Morris have employment agreements through February 28, 2005. The base salaries for John Morris and Greg Stemm have been set at $150,000 per year. The base salary for David Morris has been set at $100,000. The Company anticipates that in addition to their base salary each of these individuals will receive stock options and certain other benefits as determined by the Board of Directors.

EMPLOYEE STOCK OPTION PLAN

During the Special Shareholder Meeting held September 8, 1997, the Shareholders approved an Employee Stock Option Plan (the "Plan"). The Plan authorized the issuance of options to purchase up to two million shares of the Company's Common Stock. On November 7, 2001, the shareholders approved an amendment to the Plan increasing the number of shares in the Plan to three million five hundred thousand shares.

The Plan allows the Board of Directors to grant non-qualified stock options from time to time to employees, officers and directors, and consultants of the Company. The board determines vesting provisions at the time options are granted. The option price for any option will be no less than the fair market value of the Common Stock on the date the option is granted.

During the fiscal year ended February 28, 2002, the Company issued the following options to directors and former directors, in addition to those itemized in the Summary Compensation Table above, from the Plan:

Grantee	Position	Date Of Grant	Number of Options Granted	Option Exercise Price	Date Of Expiration
Mark Goldman	Former Director	6/10/2001	50,000	$0.50	6/10/2004
George Knutsson	Director	6/10/2001	50,000	$0.50	6/10/2004
David Saul	Director	10/10/2001	100,000	$1.00	2/28/2004
Henri G DeLauze	Director	10/10/2001	100,000	$1.00	2/28/2004

Of the 50,000 share option granted on June 10, 2001 to Mr. Goldman, the option for 25,000 shares has been cancelled due to vesting provisions.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table set forth, as of May 15, 2002, the stock ownership of each person known by the Company to be the beneficial owner of five percent or more of the Company's Common Stock, each Officer and Director individually and all Officers and Directors of the Company

as a Group.

Name of Beneficial Owner	Amount of Beneficial Ownership	Percentage of Class
MacDougald Family Limited Partnership 3773 Howard Hughes Pkwy. Suite 300 N Las Vegas, NV 89109	11,133,008 (1)	38.2%
Gregory P. Stemm 3604 Swann Ave Tampa, FL 33609	2,244,241 (2)	8.1%
John C. Morris 3604 Swann Ave Tampa, FL 33609	1,916,229 (3)	6.9%
David A. Morris 6522 Bimini Court Apollo Beach, FL 33572	657,253 (4)	2.4%
Michael V. Barton 3604 Swann Avenue Tampa, FL 33609	243,115 (5)	0.9%

David J. Saul 3604 Swann Ave Tampa, FL 33609	137,500 (6)	0.5%
Henri DeLauze 3604 Swann Ave Tampa, FL 33609	137,500 (7)	0.5%
George Knutsson 3604 Swann Avenue Tampa, FL 33609	62,500 (8)	0.2%
George Becker 3604 Swann Avenue Tampa, FL 33609	10,000 (9)	0.0%
All Officers and Directors as a group (8 persons)	5,408,338	18.7%

(1) Includes 9,364,008 shares and 1,769,000 shares underlying currently exercisable stock options, beneficially held by MacDougald Family Limited Partnership(MFLP), MacDougald Management, Inc.(MMI), and James E. MacDougald. The limited partners of MFLP are James E. MacDougald, his wife Suzanne M. MacDougald, and two trusts created for the children and grandchildren of Mr. and Mrs. MacDougald. MMI is the general partner of MFLP.

(2) Includes 606,182 shares held of record by Greg and Laurie Stemm, 1,218,059 shares held by Adanic Capital, Ltd., a limited partnership for which Greg Stemm serves as general partner, and 420,000 shares underlying currently exercisable stock options.

(3) Includes 1,471,229 shares held by John Morris, and 445,000 shares underlying currently exercisable stock options.

(4) Includes 307,253 shares held by David A. Morris, 30,000 shares held by Andrew P. Morris and Chad E. Morris his sons who live in the same household, and 320,000 shares underlying currently exercisable stock options.

(5) Includes 49,115 shares held by Michael and Laura Barton, 49,000 shares and 135,000 shares underlying currently exercisable options held by Laura Barton, Mr. Barton's wife, and 10,000 shares underlying a currently exercisable warrant.

(6) Includes 100,000 shares held by David J. Saul and 37,500 shares underlying currently exercisable stock options.

(7) Includes 100,000 shares held by Henri Delauze and 37,500 shares underlying currently exercisable stock options.

(8) Includes 62,500 shares underlying currently exercisable stock options held by George Knutsson.

(9) Includes 10,000 shares underlying currently exercisable stock options held by George Becker.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During the last two years certain officers, directors, and beneficial owners entered into transactions with the Company as follows:

On September 1, 1999, accrued and unpaid executive compensation in the amount of $375,000 was reclassified to notes payable to related parties bearing interest at 15% per annum. Notes to the officers were as follows: John Morris and Gregory Stemm $150,000 each, and David Morris, $75,000. In January 2001, the notes were again reclassified to accrued wages and the officers forgave the balance of accrued unpaid compensation from the Company as follows:

Officer	Note Balance	Accrued Wages	Total Accrued Wages
John C. Morris	$ 150,740	$ 133,730	$ 284,470
Gregory P. Stemm	150,740	137,496	288,236
David A. Morris	75,370	75,405	150,775

Total accrued wages forgiven by officers $ 723,481

Also, in January 2001, John Morris and Gregory Stemm each purchased 500,000 shares of restricted Common Stock for $57,500, and David Morris purchased 250,000 shares of restricted Common Stock for $28,750 from the Company. The stock was purchased at the market price, and paid for by notes from the officers. In February 2001, the officers paid the notes.

On January 1, 2001, the Company renewed loan agreements with Gregory Stemm and John Morris authorizing each to borrow a maximum of $120,000 from the Company at 8% annual interest compounded quarterly. On October 10, 2001, the loans were revised authorizing borrowing up to $130,000 under the same terms and an additional $20,000 for the exercise of stock options. The loan balances as of February 28, 2002, were $130,206 and $126,034 respectively, including interest. These loans become due on December 31, 2004.

Eugene Cooke, a former director, loaned the Company $35,000 in June 1999, and an additional $60,000 during September and October 1999. These loans carried an interest rate of 15% per annum. During January 2001, Mr. Cooke converted the principal and accumulated interest in the amount of $115,533 from these notes, into 424,405 shares of Common Stock.

During May, 2000, William Callari, a former officer and former director, who was owed $105,000 of accrued fees and compensation from prior to 1998, $140,387 of principal and interest on notes which originated in May 1998 and accrued interest at 15% per annum, assigned the entire amount owed to an unrelated third party who was issued 490,774 shares of Common Stock in exchange for the cancellation of this indebtedness pursuant to a Debt Conversion Agreement with the third party.

On November 2, 1999, James E. Cooke, a shareholder, loaned $30,000 to the Company until December 1, 1999 at 15% interest. The loan was renewed July 31, 2000, and interest accrued at 15% per annum until the note was to become due on December 31, 2000. On November 9, 2000, Mr. Cooke agreed to increase the loan amount by $25,000, and the Company pledged certain marine equipment as security for the loan that now had a balance, of $58,478. The terms of the new loan provided an option to the lender to convert the entire loan balance into

stock at the lower of $.50 per share or 110% of the lowest closing bid price for the stock over the 60 calendar days preceding conversion. In addition, Mr. Cooke was issue a warrant entitling him to purchase 60,000 shares of the Company's Common Stock at the purchase price of $0.30 per share. During January and February 2001, Mr. Cooke elected to convert the entire balance of principal and interest, $60,356, into 460,007 shares of Common Stock.

On April 1, 1999 the Company entered into a loan extension agreement with Robert Stemm, Gregory Stemm's father, wherein Mr. Robert Stemm extended the due date on his loan to the Company until March 31, 2000. The principal amount of $32,926 accrued interest at 15% per annum and was secured by an inventory of raw emeralds. On October 17, 1999 the principal amount was increased by $10,000 for equipment sold to the Company by Mr. Stemm. As an incentive to extend the due date of the loan, Mr. Stemm was granted an option to purchase up to 11,000 shares of the Company's restricted Common Stock at a purchase price of $3.00 per share. On April 1, 2000 the loan due date was again extended until March 31, 2001. As an incentive to again extend the due date of the loan Mr. Stemm was granted an option to purchase up to 21,500 shares of the Company's restricted Common Stock at a purchase price of $2.00 per share. On April 1, 2001, the Company entered into a loan extension agreement with Robert Stemm, wherein Mr. Stemm extended the due date on his loan to the Company until March 31, 2003. The principal amount of $56,144 bears interest at 10% per annum and is secured by an inventory of raw emeralds. This loan is convertible into shares of Common Stock at the rate of $.50 per share.

On August 31, 1999 the Company entered into a loan extension agreement with Robert Stemm on a loan, which originated October 16, 1996 in the principal amount of $50,000, extending the due date on the note for one year. The loan bore interest at the rate of 15% per annum and was to become due August 31, 2000. As an incentive to extend the due date of the loan Mr. Stemm was granted an option to purchase up to 35,000 shares of the Company's restricted Common Stock at a purchase price of $2.00 per share. This loan was convertible into shares of Common Stock at the rate of $.50 per share, and in May 2000, Mr. Stemm elected to convert the entire principal and interest due under the note, $75,744 into 151,548 shares of restricted Common Stock.

On January 8, 2000 the Company entered into a loan extension agreement with Olive Morris, the mother of both John and David Morris. Mrs. Morris's loan was extended for a one-year term until January 8, 2001 and bore interest at 15% per annum. The loan was convertible into shares of the Company's Common Stock at $.50 per share at Mrs. Morris' option. The original loan granted Mrs. Morris warrants entitling her to purchase up to 10,000 shares of the Company's restricted Common Stock at a purchase price of $3.00 per share. As an incentive to extend the due date of the loan, which became due on January 8, 2000, Mrs. Morris was granted an additional option to purchase up to 15,000 shares of the Company's restricted Common Stock at a purchase price of $2.00 per share. On February 28, 2000, Mrs. Morris exercised her option to convert the principal balance under the loan into 60,000 shares of the Company's Common Stock.

On February 28, 2001, the "Company" completed the sale of shares of its Series B Convertible Preferred Stock, Common Stock and Warrants to MacDougald Family Limited Partnership ("MFLP") for $3,000,000 in cash. The sale of securities was made pursuant to a Stock Purchase Agreement dated February 28, 2001. MFLP purchased 850,000 shares of the Company's Series B Convertible Preferred Stock, 864,008 shares of Common Stock and Warrants to purchase an additional 1,889,000 shares of Common Stock. The cash used came from operating funds of MFLP.

Each share of Series B Convertible Preferred Stock purchased by MFLP was convertible into 10 shares of the Company's Common Stock at any time. The holder of the shares of Series B Convertible Preferred Stock was entitled to vote such shares together with the holders of the Company's Common Stock on an "as converted" basis. In addition, the holder of the Series B Convertible Preferred Stock was entitled to elect three members of the Board of Directors, and has special voting rights in connection with specified corporate actions. In the event of a liquidation or dissolution of the Company, the holder of the Series B Convertible Preferred Stock was entitled to an amount equal to $3.50 per share prior to any payments to holders of any other class of stock. Although the Series B Convertible Preferred Stock had no separate dividend provisions, the holder was entitled to receive any dividends paid to holders of Common Stock on an "as converted" basis.

The Warrants issued to MFLP have varying exercise prices and terms. The exercise of all of these warrants would require a total payment of $4,169,000. The following table sets forth the exercise prices, expiration dates and number of shares underlying each class of warrants:

Exercise Price	Expiration Date	Number of Shares
$3.00	2/28/03	722,000
$2.50	3/31/02	120,000
$2.00	2/28/03	817,000
$0.30	2/28/04	230,000

The securities acquired by MFLP represented beneficial ownership of approximately 40.2% of the Company's Common Stock outstanding, assuming the conversion of the preferred stock and exercise of the warrants.

Under the terms of the Stock Purchase Agreement, MFLP received certain rights to require the Company to register the Common Stock purchased and the shares of Common Stock issuable on the conversion or exercise of the Preferred Stock and Warrants for resale under the Securities Act of 1933.

MFLP is a Nevada limited partnership of which MacDougald Management, Inc. ("MMI") is sole general partner. The limited partners include James E. MacDougald, his wife Suzanne M. MacDougald, and two trusts for the benefit of the children and grandchildren of Mr. and Mrs. MacDougald. James E. MacDougald is the President of MMI. Mr. McDougald became Chairman of the Board and a Director of the Company in February 2001.

On October 12, 2001, MFLP delivered a Notice of Conversion to the Company pursuant to which MFLP converted 850,000 shares of Preferred Stock held by MFLP into 8,500,000 shares of Common Stock in accordance with the terms of the Stock Purchase Agreement and the Certificate of Designation. No additional funds were expended by MFLP in connection with its acquisition of the Common Stock. The consideration for the Common Stock was the Preferred Stock tendered by MFLP to the Company.

As a condition and an inducement to MFLP to convert the Preferred Stock, the Company and MFLP executed an Amended and Restated Registration Rights Agreement, dated October 12, 2001 ("Amended and Restated Registration Rights Agreement"), pursuant to which the Issuer granted MFLP up to five demand registration rights. Concurrently with the execution of the Amended and Restated Registration Rights Agreement, the Company and MFLP entered into the

First Amendment to Series B Stock Purchase Agreement, dated October 12, 2001 ("First Amendment to Stock Purchase Agreement"), which eliminated certain of MFLP's rights under the Stock Purchase Agreement. Mr. MacDougald resigned as a director of the Company in October 2001.

ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits.

Exhibit Number	Description	Location
3.1	Articles of Incorporation, as amended	Incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-KSB for the year ended February 28, 2001
3.2	Bylaws	Incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-KSB for the year ended February 28, 2001
3.3	Designation of Series B Convertible Preferred Stock	Incorporated by reference to Exhibit 3.3 to the Company's Report on Form 8-K dated February 28, 2001
10.1	Employment Agreement dated May 22, 2002, with David A. Morris	Filed herewith electronically
10.2	Employment Agreement dated May 22, 2002, with Greg Stemm	Filed herewith electronically
10.3	Employment Agreement dated May 22, 2002, with John C. Morris	Filed herewith electronically
10.4	Series B Convertible Preferred Stock Purchase Agreement	Incorporated by reference to Exhibit 10.4 to the Company's Report on Form 8-K dated February 28, 2001
10.5	1997 Stock Option Plan	Incorporated by reference to Exhibit 10.6 to the Company's Annual Report on Form 10-KSB for the year ended February 28, 2001
10.6	Commercial Lease with Corinthian Custom Homes, Inc. dated January 24, 2001	Incorporated by reference to Exhibit 10.6 to the Company's Annual Report on Form 10-KSB for the year ended February 28, 2001

10.7	Amended and Restated Registration Rights Agreement with MacDougald Family Limited Partnership	Filed herewith electronically
10.8	First Amendment to Series B Stock Purchase Agreement	Filed herewith electronically
23	Consent of Independent Public Accountants	Filed herewith electronically

(b) Reports on Form 8-K. None.

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ODYSSEY MARINE EXPLORATION, INC.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Odyssey Marine Exploration, Inc.
Tampa, Florida

We have audited the accompanying consolidated balance sheet of Odyssey Marine Exploration, Inc. and subsidiary as of February 28, 2002, and the related consolidated statements of operations, stockholders' equity, and cash flows for the years ended February 28, 2002 and February 28, 2001. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Odyssey Marine Exploration, Inc. and subsidiary as of February 28, 2002, and the results of their operations and their cash flows for the years ended February 28, 2002 and February 28, 2001, in conformity with accounting principles generally accepted in the United States of America.

/s/ Ferlita, Walsh & Gonzalez, P.A.

FERLITA, WALSH & GONZALEZ, P.A.
Certified Public Accountants
Tampa, Florida

May 1, 2002

ODYSSEY MARINE EXPLORATION, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEET
FEBRUARY 28, 2002

ASSETS

CURRENT ASSETS

Cash	$ 857,549
Advances	270
Prepaid expenses	10,908
Total current assets	868,727
PROPERTY AND EQUIPMENT	
Equipment and office fixtures	385,139
Accumulated depreciation	(156,046)
	229,093

OTHER ASSETS	
Inventory	20,000
Loans receivable from related parties	256,240
Deposits	14,406
	290,646
	$ 1,388,466
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES	
Accounts payable	$ 50,555
Accrued expenses	17,271
Total current liabilities	67,826
NOTE PAYABLE TO RELATED PARTY	56,144
DEFERRED INCOME FROM REVENUE PARTICIPATION CERTIFICATES	887,500
STOCKHOLDERS' EQUITY	
Preferred stock - $.0001 par value; 9,300,000 shares authorized; none outstanding	-
Preferred stock series A convertible - $.0001 par value; 510,000 shares authorized; none issued and none outstanding	-
Common stock - $.0001 par value; 100,000,000 shares authorized; 26,565,536 issued and outstanding	2,656
Additional paid-in capital	7,646,895
Accumulated deficit	(7,272,555)
Total Stockholders' equity	376,996
	$ 1,388,466

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

ODYSSEY MARINE EXPLORATION, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended February 28, 2002	Year Ended February 28, 2001
REVENUES	$ 9,975	$ -
OPERATING EXPENSES		
Project development	169,316	171,373
Project operations	782,957	640,743
Marketing and promotion	25,474	52,520
Total operating expenses	977,747	864,636
GENERAL AND ADMINISTRATIVE EXPENSES	655,595	752,330
(LOSS) FROM OPERATIONS	(1,623,367)	(1,616,966)
OTHER INCOME OR (EXPENSE)		
Income from debt forgiveness	-	723,481
Gain(Loss) on sale of marketable securities	(29,213)	189,479
Interest income	65,705	23,456
Interest expense	(5,760)	(93,656)
Other income(expense)	532	(11,436)
Total other income or (expense)	31,264	831,324
NET(LOSS)	(1,592,103)	(785,642)
(BASIC AND DILUTED LOSS PER SHARE)	$ (0.08)	$ (0.06)
Weighted average number of common shares and potential common shares, basic and diluted, outstanding	21,159,510	13,353,009

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

ODYSSEY MARINE EXPLORATION, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME

	Preferred Stock Shares	Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Unrealized Loss in Investment	Accumulated (Deficit)	Comprehensive Income
Balance at February 29,2000	190,000	19	11,134,777	$1,113	$3,097,618	$ (4,200)	$(4,894,810)	$(1,135,356)
Preferred stock issued for cash	850,000	85			2,723,104			
Preferred stock converted to common	(190,000)	(19)	712,500	71	(52)			
Common stock issued For cash			2,801,919	280	794,031			
For services			1,514,000	151	275,600			
For accrued expenses			285,606	29	132,471			
For conversion of debt			1,416,734	142	424,908			
Net change in unrealized loss on securities available for sale						(14,260)		(14,260)
Net loss for the year ended February 28, 2001							(785,642)	(785,642)
Balance at February 28, 2001	850,000	$ 85	17,865,536	$1,786	$7,447,680	$ (18,460)	$(5,680,452)	$ (799,902)
Preferred stock converted to common	(850,000)	(85)	8,500,000	850	(765)			
Common stock issued for cash			200,000	20	199,980			
Net change in unrealized loss on securities available for sale						18,460		18,460
Net loss for the year ended February 28, 2002							(1,592,103)	(1,592,103)
Balance at February 28, 2002	-	-	26,565,536	$2,656	$7,646,895	$ -	$(7,272,555)	$(1,573,643)

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

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

	Year Ended February 28, 2002	Year Ended February 28, 2001
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (Loss)	$(1,592,103)	$ (785,642)
Adjustments to reconcile net loss to net cash used by operating activity:		
Depreciation	72,324	34,877
Common stock issued for services	-	283,250
Finance charge added to note	-	7,500
Loss(gain)on marketable securities	29,213	(189,479)
Loss of disposal of equipment	-	4,057
Income from debt forgiveness	-	(723,481)
Interest income	(19,140)	(23,872)
Interest expense	7,322	65,859
(Increase)decrease in:		
Advances, prepaids, deposits	(3,778)	(11,561)
Increase (decrease) in:		
Accounts payable	(10,344)	(123,714)
Accrued expenses	(106,231)	119,586
NET CASH USED IN OPERATING ACTIVITIES	(1,622,737)	(1,342,620)

CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(97,301)	(162,315)
NET CASH USED IN INVESTING ACTIVITIES	(97,301)	(162,315)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Related party loans	(80,600)	-
Proceeds from:		
Related party loans	25,000	5,000
Loans from others	-	75,000
Issuance of common stock	200,000	794,341
Issuance of preferred stock	-	2,723,189
Issuance of revenue participation certificates	-	62,500
Sale of marketable securities	-	348,048
Repayment of notes	-	(117,101)
NET CASH PROVIDED BY FINANCING ACTIVITIES	144,400	3,890,947
NET INCREASE(DECREASE)IN CASH	(1,575,638)	2,386,012
CASH AT BEGINNING OF YEAR	2,433,187	47,175
CASH AT END OF YEAR	$ 857,549	$ 2,433,187
SUPPLEMENTARY INFORMATION:		
Interest paid	$ -	$ 88,418
Income taxes paid	-	-

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

SUMMARY OF SIGNIFICANT NON CASH TRANSACTIONS

During the quarter ending November 30, 2001, the holder of 850,000 shares of Series B Preferred Stock converted the shares into 8,500,000 shares of Common Stock in a non-cash transaction.

During the quarter ended May 31, 2001, a note to a related party was renewed. The original principal amount of $48,821 and accrued interest of $7,323 were combined in a new note in the principal amount of $56,144 bearing interest at 10% per annum. The due date was extended to March 31, 2003.

During February 2001, two noteholders elected to convert $67,966 of principal, $388 of accrued interest, and $7,500 of accrued expense into 225,357 shares of Common Stock.

In January 2001, two noteholders elected to convert $119,521 of principal and $21,012 of accrued interest into 774,055 shares of Common Stock. Three officers were issued 1,250,000 shares of Common Stock for notes receivable in the amount of $143,750, and a consultant was issued 60,606 shares of Common Stock for $20,000 of accounts payable. Also, during January, three officers who were owed a total of $723,481 of previously accrued but unpaid compensation, agreed to forgive the indebtedness from the Company.

During December 2000, five holders of the Company's Series A Preferred Stock elected to convert into 262,500 shares of Common Stock valued at $105,000.

During the quarter ended November 30, 2000, five unrelated accredited investors who purchased shares through the private placement, which was closed in July 2000, were issued 757,911 additional shares pursuant to the terms of the private placement. Additionally, 120,000 shares of Series A Preferred Stock were surrendered and converted into 450,000 shares of Common Stock, and two subcontractors who provided services valued at $47,000 on the Republic project were issued 94,000 shares of Common Stock for services.

During August 31, 2000, two subcontractors who provided services valued at $80,000 on the Republic project, were compensated by the issuance of 160,000 shares of Common Stock.

During May, 2000, a director who was owed $105,000 of accrued expenses, $132,131 of notes, and $8,256 of accrued interest assigned the entire amount owed to an unrelated third party who was issued 490,774 shares of Common Stock for converting the entire amount due. Also, a related party who was owed $68,894 of principal and $6,880 of accrued interest on a note converted the entire amount into 151,548 shares of Common Stock. A consultant owed $5,000 for services received 10,000 shares of Common Stock as payment for the services.

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

ODYSSEY MARINE EXPLORATION, INC. AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - ORGANIZATION AND BUSINESS

ORGANIZATION

Odyssey Marine Exploration, Inc. was incorporated March 5, 1986, as a Colorado corporation named Universal Capital Corporation, Inc. On August 8, 1997 Odyssey Marine Exploration, Inc. (the "Company"), completed the acquisition of 100% of the outstanding Common Stock of Remarc International, Inc. ("Remarc") in exchange for the Company's Common Stock in a reverse acquisition. On September 7, 1997, the Company changed its domicile to Nevada and its name was changed to Odyssey Marine Exploration, Inc.

Remarc International, Inc. was organized as a Colorado corporation on May 20, 1994. On April 9, 1996 Remarc International, Inc., a Colorado Corporation and Remarc International, Inc., a Delaware Corporation merged. Remarc International, Inc., the Delaware corporation was the surviving corporation. Effective with the reverse acquisition of Odyssey as discussed in Note B, Remarc International, Inc. adopted February as its fiscal year end.

Subsequently, on February 25, 1999, Remarc International, Inc. and Odyssey Marine Exploration, Inc. were merged with Odyssey Marine Exploration, Inc. being the surviving corporation.

Odyssey Marine, Inc., a Florida corporation, was incorporated on November 2, 1998, as a wholly owned subsidiary of Odyssey Marine Exploration, Inc. for the purpose of administering the Company's payroll and health plan.

BUSINESS ACTIVITY

Odyssey Marine Exploration, Inc., is engaged in the business of researching, developing, financing and marketing of shipwreck projects on a worldwide basis. The corporate headquarters are located in Tampa, Florida.

NOTE B - REVERSE ACQUISITION

On August 8, 1997 Odyssey Marine Exploration, Inc. completed the acquisition of 100% of the outstanding Common Stock of Remarc International, Inc. in exchange for the Company's Common Stock. The Company issued approximately 7,500,000 shares of its Common Stock to the shareholders of Remarc at closing, pursuant to a Share Exchange Agreement between the Company and Remarc.

For accounting purposes the acquisition has been treated as a re- capitalization of Remarc, with Remarc as the acquirer (reverse acquisition). The historical financial statements prior to August 8, 1997 are those of Remarc.

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Company is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity and have prepared them in accordance with the Company's customary accounting practices.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Odyssey Marine, Inc. All significant inter- company transactions and balances have been eliminated.

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Revenue Recognition

Although the Company has generated minimal revenues to date, marketing of the artifacts, replicas and ancillary products will be recognized on the point of sale method.

Cash Equivalents

Cash equivalents include cash on hand and cash in banks. The Company also considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Fair Value of Financial Instruments

The carrying value of cash, accounts payable, and accrued expenses approximate fair value. Notes receivable and payable to related parties are discussed in Notes H and J, respectively.

Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

Marketable Securities

Marketable securities owned by the company are deemed available-for-sale and carried at fair value. Unrealized gains and losses on these securities are excluded from earnings and reported, net of any income tax effect, as a separate component of stockholders' equity. Restricted shares of securities are carried at estimated fair market values (50% of quoted price).

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Depreciation

Property and equipment is stated at historical cost. Depreciation is provided using the straight-line method at rates based on the assets' estimated useful lives.

Investment in Affiliate

The Company owns 24.5% of the Common Voting Stock and 55% of the Preferred Non-Voting Stock of Pesquisas Arqueologicas Maritimas, S.A. (Pesqamar).

Pesqamar, a Brazilian S/A, was formed to research, locate and salvage a shipwreck. In August of 1995, Pesqamar and Salvanav S.A., a Brazilian salvage company competing for the same shipwreck, entered into an agreement forming a Brazilian consortium known as Consorcio Para Pesquisas Arqueologicas Submarinas (CONPAS). CONPAS conducted all operations on the shipwreck project until April of 1999 when a bifurcation agreement between the parties ended the operation of CONPAS. The sought after shipwreck has not been identified to date and the permit to continue searching for the shipwreck through Pesqamar expired on July 18, 2001. The bifurcation agreement between Pesqamar and Salvanav specifies terms regarding continuing operations until April 26, 2004, and the Company believes the permit would likely be reinstated if applied for prior to further operations.

The search phase expenses have been charged to operations as project expenses, therefore no investment in Pesqamar is reflected in these financial statements.

Organization Costs

Organization costs have been amortized, using the straight-line method, over a period of 60 months.

Loss Per Share

Basic earnings per share (EPS) is computed by dividing income available to common shareholders by the weighted-average number of common shares outstanding for the year. Diluted EPS reflects the potential dilution that would occur if dilutive securities and other contracts to issue Common Stock were exercised or converted into Common Stock or resulted in the issuance of Common Stock that then shared in the

earnings of Odyssey.

At February 28, 2002, and February 28, 2001, potential common shares were excluded from the computation of diluted EPS because their inclusion would have had an antidilutive effect on EPS. At February 28, 2002, there were options for 1,407,564 shares and warrants for 315,000 shares that were exercisable between $0.30 and $1.00 per share which were thus excluded from the computation of diluted EPS. On February 28, 2002, and February 28,2001, all of the other exercisable stock options and stock warrants were excluded from the computation of diluted EPS because the options exercise prices were greater than the average market price of the common shares.

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes

Deferred income taxes are provided for the temporary differences between the carrying amount of assets and liabilities for financial reporting and income tax purposes.

NOTE D - CONCENTRATION OF CREDIT RISK

The Company maintains its cash in one financial institution. The Federal Deposit Insurance Corporation insures up to $100,000. At February 28, 2002 and February 28, 2001, the Company's uninsured cash balance was approximately $772,000 and $2,400,000, respectively.

NOTE E - MARKETABLE SECURITIES

Marketable securities held by the Company as of February 28, 2002, consist of 228,824 shares of common stock of Affinity International Marketing, Inc. (formerly Treasure & Exhibits International,Inc.)("AIMI") common stock. The Company is attempting to collect a judgment from an individual who guaranteed a "put" on the shares, however trading in the shares on the OTC bulletin board has been stopped and Odyssey has written off the shares. The Company received the AIMI shares as partial payment of a commission earned on the sale of an artifact collection and in settlement of an account receivable in the first quarter of the year ended February 28, 1999.

In writing off the AIMI stock, the Company had an unrealized gain for the year ending February 28, 2002, of $14,260, which is reflected as an adjustment to stockholders' equity and included in the comprehensive loss shown on the Company's financial statements. The Company then recorded a realized loss on the write off in the amount of $29,213, which was the original cost basis of the shares before taking unrealized losses to reflect then realizable values.

NOTE F - PROPERTY AND EQUIPMENT

At February 28, 2002 Property and Equipment consist of:

Class	Original Cost	Accumulated Depreciation/ Amortization	Book Value
Computers and Peripherals	$ 57,601	$ 23,859	$ 33,742
Furniture and Office equipment	31,257	9,483	21,774
Marine survey equipment	296,281	122,704	173,577
	$ 385,139	$ 156,046	$ 229,093

NOTE G - INVENTORY

The Company's inventory consists of a collection of 748 raw emeralds recovered from the 1656 shipwreck of the Nuestra Senora de al Maravilla salvaged by

NOTE G - INVENTORY - Continued

Seafinders, Inc. in 1972. The emeralds range in size from 0.5 to 17.5 carat weight and each is accompanied by a "Treasure Certificate" explaining the origin of the item. The Company received these items as partial compensation for services rendered during the year ended February 28, 1999, in a transaction wherein the inventory was assigned a value of $20,000. Due to the uncommon nature of the items, and the difficulty an appraiser would have in finding comparable sales, the Company does not believe that it can obtain a meaningful third party appraisal, and therefore, has not sought an independent appraisal of the goods.

NOTE H - LOANS RECEIVABLE FROM RELATED PARTIES

On October 10, 2001, the Company revised the terms of loan agreements with two of its officers authorizing each to borrow on commercial terms a maximum of $130,000 from the Company at 8% annual interest compounded quarterly and an additional $20,000 for the exercise of stock options. The loan balances, which become due on December 31, 2004, were $130,206 and $126,034 respectively. Accrued interest in the amount of $29,840 and $31,213 are reflected in this caption. (See NOTE R - SUBSEQUENT EVENTS)

NOTE I - ACCRUED EXPENSES

Accrued expenses at February 28, 2002, consist of:

Payroll tax	376
Consulting	1,500
Travel expense	10,257
	$ 12,133

NOTE J - NOTE PAYABLE TO RELATED PARTY

Notes payable to related party at February 28, 2002, consist of:

Unsecured 10% note payable to the family member of an officer due April 1, 2003. The note can be converted to Common Stock for $0.50 per share. $ 56,144

NOTE K - SALE OF REVENUE PARTICIPATION CERTIFICATES

The Company has sold through private placements of Revenue Participation Certificates ("RPCs") the right to share in future revenues of the Company derived from the Cambridge or Republic projects.

Each $50,000 convertible Cambridge RPC entitles the holder to receive a percentage of the gross revenue received by the Company from the "Cambridge Project", which are defined as all cash proceeds payable to the Company as a result of the Cambridge Project, less any amounts paid to the British Government or their designee(s); provided, however, that all funds received by the Company to finance the project are excluded from gross revenue.

NOTE K - SALE OF REVENUE PARTICIPATION CERTIFICATES - continued

As of April 30, 1999, when the offering was closed, the Company sold $825,000 of a maximum of $900,000 of the Cambridge 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 - 35 million, and 12.375% of gross revenue above $35 million generated by the Cambridge project.

Distributions will be made to each certificate holder within 15 days from the end of each quarterly reporting period in which the Issuer receives any cash proceeds from, or as a result of, the Cambridge Project. The Cambridge RPC units constitute restricted securities.

In a private placement, which closed in September 2000, the Company sold "units" comprised of Republic Revenue Participation Certificates, and Common Stock. Each $50,000 "unit" entitled the holder to 1% of the gross revenue generated by the Republic project, and 100,000 shares of Common Stock. Gross revenue is defined as all cash proceeds payable to the Issuer as a result of the Republic project, excluding funds received by the Issuer to finance the project.

When the offering was closed, in September 2000, a total of five $50,000 units consisting of one Republic RPC and 100,000 shares of Common Stock had been sold, and the cost of each unit was allocated as $37,500 for the stock and $12,500 for the RPC. Therefore, a total of

$62,500 was reflected on the books as deferred income from the sale of Republic Revenue Participation Certificates.

As of February 28, 2002, the Company had sold, in total, $887,500 of RPCs, which are reflected on the books as Deferred RPC Income to be amortized under the units of revenue method.

NOTE L - PREFERRED STOCK

The Company was initially authorized to issue 10,000,000 shares of Preferred Stock. The Preferred Stock may be issued in series from time to time with such rights, designations, preferences and limitation as the Board of Directors of the Company may determine by resolution.

Series A Preferred Stock

On April 23, 1999 the Company established a series of Preferred Stock known as "Series A Convertible Preferred Stock"("Series A Preferred Stock"), having a par value of $.0001 per share and an authorization of 700,000 shares.

In total, 190,000 shares of Series A Preferred Stock had been issued. As of February 28, 2001, the holders of the Series A Preferred Stock had elected to convert the entire 190,000 shares into 712,500 shares of Common Stock.

As of February 28, 2002, the Company had authorized 510,000 shares of $.0001 par value Series A Convertible Preferred Stock and none outstanding.

NOTE L - PREFERRED STOCK - continued

Series B Preferred Stock

On December 27, 2000, the Company established a series of Preferred Stock known as "Series B Convertible Preferred Stock"("Series B Preferred Stock"), having a par value of $.0001 per share and an authorization of 850,000 shares.

Each share of Series B Convertible Preferred Stock was convertible into 10 shares of the Company's Common Stock at any time.

On October 10, 2001, the holder of 850,000 shares of Series B Preferred Stock converted all of the shares issued and outstanding into 8,500,000 shares of Common Stock. In accordance with the certificate of designation for the Series B Convertible Preferred Stock, the converted shares were then restored to the status of authorized but un-issued shares of Preferred Stock of the Corporation, without designation as to series, and may thereafter be issued.

NOTE M - COMMON STOCK OPTIONS AND WARRANTS

The Company adopted the 1997 Stock Option Plan on September 8, 1997. Under the terms to the plan, non-statutory options to purchase Common Stock are granted to employees, consultants and non-employee directors at not less than 100% of the fair market value of the shares on the date of grant or the par value thereof whichever is greater. Options currently expire no later than 4 years from the date of grant and are fully vested in two years or less. The cumulative number of shares which may be subject to options issued and outstanding pursuant to the plan is limited to 3,500,000 shares. Additional information with respect to the plan's stock option activity is as follows:

	Number of Shares	Weighted Average Exercise Price
Outstanding at February 28, 2000	1,655,500	$2.23
Granted	344,500	$0.35
Exercised	50,000	$0.30
Cancelled	-	-
Outstanding at February 28, 2001	1,950,000	$1.95
Granted	860,000	$0.83
Exercised	-	-
Cancelled	74,500	$0.39
Outstanding at February 28, 2002	2,735,500	$1.64
Options exercisable at February 28, 2001	1,950,000	$1.95

	==========	==========
Options exercisable at February 28, 2002	2,085,500	$1.87
	==========	==========

ODYSSEY MARINE EXPLORATION, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE M - COMMON STOCK OPTIONS AND WARRANTS - Continued

The following tables summarize information about stock options outstanding and exercisable at February 28, 2002:

	Stock Options Outstanding		
Range of Exercise Prices	Number of Shares Outstanding	Weighted Average Remaining Contractual Life in Years	Weighted Average Exercise Price
$0.30 - $0.50	630,000	2.5	$0.41
$1.00 - $1.50	847,500	2.9	$1.13
$2.00	515,000	1.0	$2.00
$3.00 - $4.00	743,000	1.0	$3.01
	2,735,500	2.7	$1.64

The Company has elected to follow APB Opinion No. 25 (Accounting for Stock Issued to Employees)in accounting for its employee stock options. Accordingly, no compensation expense is recognized in the Company's financial statements because the exercise price of the Company's employee stock options equals or exceeds the market price of the Company's common stock on the date of grant. If under Financial Accounting Standards Board Statement No. 123(Accounting for Stock-Based Compensation) the Company determined compensation costs based on the fair value at the grant date for its stock options, net loss and loss per share would have been increased to the following pro forma amounts:

	2002	2001
Net (loss):		
As reported	$(1,592,103)	$ (785,642)
Pro forma	$(1,660,303)	$ (836,537)
Basic and diluted(loss) per share:		
As reported	$ (0.08)	$ (0.06)
Pro forma	$ (0.08)	$ (0.06)

The weighted average estimated fair value of stock options granted during the years ended February 28, 2002 and 2001 was $0.62 and $0.26 respectively. These amounts were determined using the Black-Scholes option-pricing model, which values options based on the stock price at the grant date, the expected life of the option, the estimated volatility of the stock, the expected dividend payments, and the risk-free interest rate over the life of the option. The assumptions used in the Black-Scholes model were as follows for stock options granted in the years ended February 28:

ODYSSEY MARINE EXPLORATION, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE M - COMMON STOCK OPTIONS AND WARRANTS - Continued

	2002	2001
Risk-free interest rate	4%	5%
Expected volatility of common stock	324%	214%
Dividend Yield	0%	0%
Expected life of options	4 years	4 years

The Black-Scholes option valuation model was developed for estimating the fair value of traded options that have no vesting restrictions and are fully transferable. Because option valuation models require the use of subjective assumptions, changes in these assumptions can materially

affect the fair value of the options. The Company's options do not have the characteristics of traded option, therefore, the option valuation models do not necessarily provide a reliable measure of the fair value of its options.

The Company has issued warrants to six individuals in connection with loans made to the Company and has issued warrants to fourteen individuals who purchased the Company's Series A Preferred Stock, and one limited liability company that purchased the Company's Series B Preferred Stock. Warrants exercisable at February 28, 2002 are as follows:

Warrants	Price per Share	Expiration Date
190,000	$ 3.50	7/31/02
20,000	3.00	4/30/02
722,000	3.00	2/28/03
11,000	3.00	Two years from the date the loan is paid in full
640,000	2.50	3/31/02
110,000	2.50	6/30/02
95,000	2.00	7/31/02
35,000	2.00	8/31/02
15,000	2.00	1/06/03
862,500	2.00	2/28/03
21,500	2.00	Two years from the date the loan is paid in full
25,000	0.68	5/01/03
60,000	0.30	2/28/03
230,000	0.30	2/28/04
3,037,000		

NOTE N - COMPREHENSIVE LOSS

During Fiscal 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" (SFAS No. 130) The Company has included comprehensive income in the financial

NOTE N - COMPREHENSIVE LOSS - Continued

statements for the year ended February 28, 2002 and comprehensive loss for the year ended February 28, 2001. The comprehensive income and losses resulted entirely from the unrecognized gains and losses on the value of marketable securities held by the Company as detailed in Note E.

NOTE O - INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The temporary differences that give rise to the deferred tax asset are the Company's net operating loss carry forward and accounts payable and accrued expenses due to using modified cash basis for tax reporting purposes.

The Company has a net operating loss carry forward of approximately $6,800,000 that is available to offset future regular taxable income. The carry forward will expire in various years ending through the year 2022. Because of the Company's net cumulative losses and the uncertainty of being able to utilize the deferred tax asset, the Company recorded a valuation allowance of 100% of the deferred tax asset.

NOTE P - COMMITMENTS AND CONTINGENCIES

Offices

On January 24, 2001, the Company entered into a lease agreement for approximately 3,000 square feet of office space for the period beginning February 1, 2001, and ending January 31, 2003. Rent payments for the year ended February 28, 2002 were $44,790, and rent payments will be $41,057 from then until the expiration of the lease on January 31, 2003.

Industry Related Risks

Although the Company has access to a substantial amount of research and data which has been compiled regarding the shipwreck business, the quality and reliability of such research and data, like all research and data of its nature, is unknown. Even if the Company is able to plan and obtain permits for it's projects, there is a possibility that the shipwreck may have been salvaged, or may not have had anything of value on board at the time of the sinking. Furthermore, even if objects of believed value are located and recovered, there is the possibility that the Company's rights to the recovered objects will be challenged by others, including both private parties and governmental entities, asserting conflicting claims. Finally, even if the Company is successful in locating and retrieving objects from a shipwreck and establishing good title thereto, there can be no assurance as to the value that such objects will bring at their sale as the market for such objects is very uncertain.

ODYSSEY MARINE EXPLORATION, INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE Q - GOING CONCERN CONSIDERATION

The Company has incurred net losses of $7,272,555 since inception, and will not generate revenue until it is successful at locating one or more of it's target shipwrecks and bringing the find to sale or otherwise generating revenue. These factors caused the Company's auditors to consider whether the Company could continue as a going concern.

As of February 28, 2002, the Company had working capital of $800,901 as indicated by current assets exceeding current liabilities, and will need to raise additional capital to fund it's operations during the next twelve months. The Company intends to conduct private placements of debt or equity to finance future search operations on one or more shipwreck projects, and to begin recovery operations on a shipwreck believed to be the HMS Sussex.

The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE R - SUBSEQUENT EVENTS

On February 18, 2002, the Company entered into a Memorandum of Agreement for the purchase of a marine survey vessel for $1,200,000 and placed a purchase deposit of $100,000 with the owner in anticipation of mobilization and the start of project operations. On March 31, 2002, the Company rescinded it's offer to purchase the vessel, and the deposit was subsequently released to the owner. The Company has expensed the lost deposit as project operations expense for the year ended February 28, 2002.

During March 2002, the Company organized a wholly owned Bermuda Corporation named Odyssey Explorer, Ltd., to be used for the purpose of holding the Company's marine assets and conducting certain marine operations.

During May 2002, the Company completed a private placement and raised $1,000,000 of which $600,000 is allocated to a shipwreck search project to be conducted during May through August 2002, with the balance available for general corporate overhead.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunder duly authorized.

ODYSSEY MARINE EXPLORATION, INC.

Dated: May 28, 2002 *By:/s/ John C. Morris*
John C. Morris, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

SIGNATURE	*TITLE*	*DATE*
/s/ John C. Morris *John C. Morris*	*President and Chairman*	*May 28, 2002*
/s/ Gregory P. Stemm *Gregory P. Stemm*	*Vice President and Director*	*May 28, 2002*

/s/ Michael V. Barton *Michael V. Barton*	*Chief Financial Officer*	*May 28, 2002*
/s/ David A. Morris *David A. Morris*	*Secretary and Treasurer* *(Principal Accounting Officer)*	*May 28, 2002*
/s/ Henri G. DeLauze *Henri G. DeLauze*	*Director*	*May 27, 2002*
/s/ George Knutsson *George Knutsson*	*Director*	*May 28, 2002*
/s/ David J. Saul *David J. Saul*	*Director*	*May 26, 2002*

EXHIBIT 10.1

EXECUTIVE EMPLOYMENT AGREEMENT

PARTIES

ODYSSEY MARINE EXPLORATION, INC.
(A NEVADA CORPORATION)

3604 SWANN AVENUE
TAMPA, FLORIDA 33609

AND

David A. Morris
3604 Swann Avenue
Tampa, Florida 33609
Secretary & Treasurer

Effective March 1, 2002

RECITALS

A. Odyssey wishes to obtain the services of Executive for the term of this Agreement, and Executive wishes to provide his or her services for such period.

B. Odyssey desires reasonable protection of Odyssey's Confidential Information (as defined below).

C. Odyssey desires assurance that Executive will not compete with Odyssey, engage in recruitment of Odyssey's employees or make disparaging statements about Odyssey after termination of employment, and Executive is willing to refrain from such competition, recruitment and disparagement.

D. Executive desires to be assured of a minimum Base Salary (as defined below) from Odyssey for Executive's services for the term of this Agreement (unless terminated earlier pursuant to the terms of this Agreement).

E. It is expressly recognized by the parties that Executive's acceptance of, and continuance in, Executive's position with Odyssey and agreement to be bound by the terms of this Agreement represents a substantial commitment to Odyssey in terms of Executive's personal and professional career and a foregoing of present and future career options by Executive, for all of which Odyssey receives substantial value.

F. The parties wish to replace any and all prior employment agreements.

NOW, THEREFORE, in consideration of Executive's acceptance of and continuance in Executive's employment for the term of this Agreement and the parties' agreement to be bound by the terms contained herein, the parties agree as follows:

ARTICLE I

DEFINITIONS

1.01 "BASE SALARY" shall mean regular cash compensation paid on a periodic basis exclusive of benefits, bonuses or incentive payments.

1.02 "BOARD" shall mean the Board of Directors of Parent Corporation.

1.03 "ODYSSEY" shall mean Odyssey Marine Exploration, Inc., and

(a) Any Subsidiary (as that term is defined in Section 1.07); and

(b) Any successor in interest by way of consolidation, operation of law,

merger or otherwise.

1.04 "CONFIDENTIAL INFORMATION" shall mean information or material of Odyssey which is not generally available to or used by

others, or the utility or value of which is not generally known or recognized, whether or not the underlying details are in the public domain, including:

(a) Information or material relating to Odyssey and its business as conducted or anticipated to be conducted; business plans; research and operations past, current or anticipated; partners, customers or prospective partners or customers; or research, engineering, development, purchasing, accounting, or marketing activities;

(b) Information or material relating to Odyssey's improvements, discoveries, "know-how," technological developments, or unpublished writings or other works of authorship, or to the materials, apparatus, processes, formulae, plans or methods used in the development or marketing of Odyssey's technology, products or services;

(c) Information on or material relating to Odyssey which when received is marked as "proprietary," "private," or "confidential;"

(d) Trade secrets of Odyssey; contracts in any state of development or completion, partner or government negotiations relative to discoveries or potential discoveries, strategic and tactical business plans whether discussed or documented in internal Odyssey documents;

(e) Specialized technology of Odyssey in various stages of development, including computer programs, software designs, specifications, programming aids (including "library subroutines" and productivity tools), programming languages, interfaces, visual displays, technical documentation, user manuals, data files and databases of Odyssey; and

(f) Any similar information of the type described above which Odyssey received from another party and which Odyssey treats as or designates as being proprietary, private or confidential, whether or not owned or developed by Odyssey.

Notwithstanding the foregoing, "Confidential Information" does not include any information which is properly published or in the public domain; provided, however, that information which is published by or with the aid of Executive outside the scope of employment or contrary to the requirements of this Agreement will not be considered to have been properly published, and therefore will not be in the public domain for purposes of this Agreement.

1.05 "DISABILITY" shall mean the inability of Executive to perform his duties under this Agreement because of illness or incapacity for a continuous period of six months.

1.06 "PARENT CORPORATION" shall mean Odyssey Marine Exploration, Inc., and any successor in interest by way of consolidation, operation of law, merger or otherwise. "Parent Corporation" shall not include any Subsidiary.

1.07 "SUBSIDIARY" shall mean: (a) any corporation at least a majority of whose securities having ordinary voting power for the election of directors (other than securities having such power only by reason of the occurrence of a contingency) is at the time owned by Parent Corporation and/or one or more Subsidiaries; and (b) any division or business unit (or portion thereof) of Parent Corporation or a corporation described in clause (a) of this Section 1.07.

ARTICLE II

EMPLOYMENT, DUTIES, TERM AND STATUS

2.01 EMPLOYMENT. Upon the terms and conditions set forth in this Agreement, Odyssey hereby employs Executive, and Executive accepts such employment.

2.02 DUTIES. Executive shall devote his or her full-time and best efforts to Odyssey and to fulfilling the duties of his or her position which shall include such duties as may from time to time be assigned him by Odyssey, provided that such duties are reasonably consistent with Executive's education, experience and background. Executive shall comply with Odyssey's policies and procedures to the extent they are not inconsistent with this Agreement in which case the provisions of this Agreement prevail.

2.03 TERM. Subject to the provisions of Articles IV, this Agreement and Executive's employment shall continue until March 1, 2005.

2.04 EXECUTIVE OFFICER STATUS. Executive acknowledges that he will be an "executive officer" of the Company for purposes of the Securities Act of 1933 as amended (the "1933 Act"), and the Securities Exchange Act of 1934 as amended (the "1934 Act"), and he will comply in all respects with all the rules and regulations under the 1933 Act and the 1934 Act applicable to him in a timely and non-delinquent manner. In order to assist the company in complying with its obligations under the 1933 Act and the 1934 Act, Executive will provide to the Company such information about Executive as the Company will reasonably request including, but not limited to, information relating to personal history and stockholdings. Executive will report to the General Counsel of the Company or other designated officer of the Company all changes in beneficial ownership of any shares of the Company Common and Preferred Stock deemed to be beneficially owned by Executive and/or any members of Executive's family.

ARTICLE III

COMPENSATION AND EXPENSES

3.01 BASE SALARY. For all services rendered under this Agreement during the term of this Agreement, Odyssey shall pay Executive a minimum Base Salary at the annual rate of $100,000. If Executive's salary is increased from time to time during the term of this Agreement, the increased amount shall be the Base Salary for the remainder of the term.

3.02 BONUS AND INCENTIVE. Bonus or incentive compensation shall be at the sole discretion of the Compensation Committee of the Board of Directors. The Compensation Committee shall have the right, to alter, amend or eliminate any bonus or incentive plans, or Executive's participation therein, without compensation to Executive.

3.03 BUSINESS EXPENSES. Odyssey shall, consistent with its policies in effect from time to time, bear all ordinary and necessary business expenses incurred by Executive in performing his or her duties as an employee of Odyssey, provided that Executive accounts promptly for such expenses to Odyssey in the manner prescribed from time to time by Odyssey.

3.04 EMPLOYEE BENEFITS, VACATION. Odyssey shall provide Executive any health, life or disability insurance, pension, retirement savings, or any other benefit plan or arrangement now or hereafter maintained by Odyssey for its senior executives generally, and participation therein shall be in accordance with the provisions thereof generally applicable to such executives. Executive shall receive at least four weeks of paid vacation per annum.

ARTICLE IV

TERMINATION

4.01 EARLY TERMINATION. This Article does not alter the respective continuing obligations of the parties pursuant to Articles V, VI.

4.02 TERMINATION FOR CAUSE. Odyssey may terminate this Agreement and Executive's employment immediately for cause. For the purpose hereof "cause" means:

(a) A conviction or adjudication for Fraud;

(b) Theft or embezzlement of Odyssey assets;

(c) Failure to follow Odyssey's conduct and ethics policies; and/or the continued failure by Executive to attempt in good faith to perform his or her duties as reasonably assigned to Executive pursuant to Section 2.02 of Article II of this Agreement for a period of 60 days after a written demand for such performance, which specifically identifies the manner in which it is alleged Executive has not attempted in good faith to perform such duties or has violated Odyssey's conduct and ethics policies.

In the event of termination for cause pursuant to this Section 4.02, Executive shall be paid at the usual rate of Executive's annual Base Salary through the date of termination specified in any written notice of termination.

4.03 TERMINATION WITHOUT CAUSE. Either Executive or Odyssey may terminate this Agreement and Executive's employment without cause on at least 75 days' written notice. In the event of termination of this Agreement and of Executive's employment pursuant to this Section 4.03, compensation shall be paid as follows:

(a) If Executive gives the notice of termination, Executive shall be paid at the usual rate of his or her annual Base Salary through the 75-day notice period;

(b) If the notice of termination is given by Odyssey, (1) Executive shall be paid at the usual rate of his or her annual Base Salary through the 75 day notice period, however, Odyssey shall have the option of making termination of the Agreement and Executive's employment effective immediately upon notice in which case Executive shall be paid a lump sum representing the value of 75 days worth of salary; and (2) Executive shall receive, starting within 15 days after the end of the 75 day notice period, two year's Base Salary payable, at the sole discretion of Odyssey, in either the form of a lump sum payment or on a regular payroll period basis. (3) Executive shall receive the bonus, if any, to which Executive would otherwise have become entitled under all applicable Odyssey bonus plans in effect at the time of termination of this Agreement had Executive remained continuously employed for the full fiscal year in which termination occurred and continued to perform his or her duties in the same manner as they were performed immediately prior to termination, multiplied by a fraction, the numerator of which shall be the number of whole months Executive was employed in the year in which termination occurred and the denominator of which is 12. This bonus amount shall be paid within 15 days after the date such bonus would have been paid had Executive remained employed for the full fiscal year.

(4) Odyssey shall provide or make arrangements for reasonable outplacement services for Executive based on his or her level within Odyssey.

4.04 TERMINATION IN THE EVENT OF DEATH OR DISABILITY. This Agreement shall terminate in the event of death or disability of Executive.

(a) In the event of Executive's death, Odyssey shall pay an amount equal to 12 months of Base Salary at the rate in effect at the time of Executive's death plus the amount Executive would have received in annual incentive plan bonus for the year in which the death occurs had "target" goals been achieved. Such amount shall be paid (1) to the beneficiary or beneficiaries designated in writing to Odyssey by Executive, (2) in the absence of such designation to the surviving spouse, or (3) if there is no surviving spouse, or such surviving spouse disclaims all or any part, then the full amount, or such disclaimed portion, shall be paid to the executor, administrator or other personal representative of Executive's estate. The amount shall be paid as a lump sum as soon as practicable following Odyssey's receipt of notice of Executive's death. All such payments shall be in addition to any payments due pursuant to Section 4.04(c) below.

(b) In the event of Executive's disability, Base Salary shall be terminated as of the end of the month in which the last day of the six-month period of Executive's inability to perform his or her duties occurs.

(c) In the event of termination by reason of Executive's non-job related disability Odyssey shall pay to Executive any amount equal to (1) the amount Executive would have received in annual incentive plan bonus for the year in which termination occurs had "target" goals been achieved, multiplied by (2) a fraction, the numerator of which shall be the number of whole months Executive was employed in the year in which the death or disability occurred and the denominator of which is 12. The amount payable pursuant to this Section 4.04(c) shall be paid within 15 days after the date such bonus would have been paid had Executive remained employed for the full fiscal year.

(d) In the event of termination by reason of Executives job-related disability, Odyssey shall pay an amount equal to 12 months of Base Salary at the rate in effect at the time of Executive's death plus the amount Executive would have received in annual incentive plan bonus for the year in which the death occurs had "target" goals been achieved. Such amount shall be paid (1)

to the beneficiary or beneficiaries designated in writing to Odyssey by Executive, (2) in the absence of such designation to the surviving spouse, or
(3) if there is no surviving spouse, or such surviving spouse disclaims all or any part, then the full amount, or such disclaimed portion, shall be paid to the executor, administrator or other personal representative of Executive's estate. The Base Salary amount payable pursuant to this Section 4.04(d) shall be paid within 15 days after the date of termination and the incentive bonus shall be paid at such time as the bonus would have been paid had Executive remained employed for the full fiscal year.

4.05 RETIREMENT.

(a) Executive may terminate this Agreement and Executive's employment as a result of Executive's decision to retire from Odyssey. Executive shall provide Odyssey with at least 75 days' written notice of the date upon which Executive intends to retire. Executive shall be paid at the usual rate of his or her annual Base Salary through the date of retirement stipulated in the written notice.

(b) In the event that Executive terminates this Agreement as a result of Executive's decision to retire from Odyssey and Executive is at least 55 years of age with five or more years of service to Odyssey, then Executive (and anyone entitled to claim under or through Executive) shall, until age 65, be entitled to receive from Odyssey the same or equivalent health, dental, accidental death and dismemberment, short and long-term disability, life insurance coverages, and all other insurance policies and health and welfare benefits programs, policies or arrangements, at the same levels and coverages as Executive was receiving on the day immediately prior to his or her retirement. Executive shall be required to pay no more for the above mentioned benefits than he/she paid as an active employee, or if provided by Odyssey at no cost to employees on the day immediately prior to Executive's retirement, they shall continue to be made available to Executive on this basis.

4.06 ENTIRE TERMINATION PAYMENT. The compensation provided for in this Article IV for early termination of this Agreement and termination pursuant to this Article IV shall constitute Executive's sole remedy for such termination. Executive shall not be entitled to any other termination or severance payment which may be payable to Executive under any other agreement between Executive and Odyssey.

ARTICLE V

CONFIDENTIALITY, DISCLOSURE AND ASSIGNMENT

5.01 CONFIDENTIALITY. Executive will not, during the term or after the termination or expiration of this Agreement or his employment, publish, disclose, or utilize in any manner any Confidential Information obtained while employed by Odyssey. If Executive leaves the employ of Odyssey, Executive will not, without Odyssey's prior written consent, retain or take away any drawing, writing, list, data or other record or information in any form containing any Confidential Information.

5.02 BUSINESS CONDUCT AND ETHICS. During the term of employment with Odyssey, Executive will engage in no activity or

employment which may conflict with the interest of Odyssey, and will comply with Odyssey's policies and guidelines pertaining to business conduct and ethics. Noting in this Agreement shall

prohibit Executive from serving on one or more boards of director's of either for profit or not-for-profit companies or chartable organizations so long as the entities do not compete with Odyssey.

5.03 DISCLOSURE. Executive will disclose promptly in writing to Odyssey all inventions, discoveries, software, writings and other works of authorship which are conceived, made, discovered, or written jointly or singly on Odyssey time, providing the invention, improvement, discovery, software, writing or other work of authorship is capable of being used by Odyssey in the normal course of business, and all such inventions, improvements, discoveries, software, writings and other works of authorship shall belong solely to Odyssey. Executive may petition the company and the Board of Directors to negotiate for shared ownership and shared rights to royalties for published work that reflects positively on the reputation and the net worth of the company. Nothing in this paragraph shall prohibit the Executive from authoring books or articles about shipwrecks or the shipwreck business provided that such books and/or articles do not divulge any trade secrets or Confidential Information and do not compete directly with any of Odyssey's business.

5.04 INSTRUMENTS OF ASSIGNMENT. Except as the Executive and company may agree to shared rights to ownership and royalties, Executive will sign and execute all instruments of assignment and other papers to evidence vestiture of Executive's entire right, title and interest in such inventions, improvements, discoveries, software, writings or other works of authorship in Odyssey, at the request and the expense of Odyssey, and Executive will do all acts and sign all instruments of assignment and other papers Odyssey may reasonably request relating to applications for patents, copyrights, and the enforcement and protection thereof. If Executive is needed, at any time, to give testimony, evidence, or opinions in any litigation or proceeding involving any patents or copyrights or applications for patents or copyrights, both domestic and foreign, relating to inventions, improvements, discoveries, software, writings or other works of authorship conceived, developed or reduced to practice by Executive, Executive agrees to do so, and if Executive leaves the employ of Odyssey, Odyssey shall pay Executive at a rate mutually agreeable to Executive and Odyssey, plus reasonable traveling or other expenses.

5.06 EXECUTIVE'S DECLARATION. Executive must declare his rights to inventions, databases, improvements, discoveries, software, writings or other works of authorship useful to Odyssey in the normal course of business, which were conceived, made or written prior to the date of this Agreement and which is excluded from this Agreement.

ARTICLE VI

NON-COMPETITION, NON-RECRUITMENT, AND NON-DISPARAGEMENT

6.01 GENERAL. The parties hereto recognize and agree that (a) Executive is a senior executive of Odyssey and is a key executive of Odyssey, (b) Executive has received, and will in the future receive, substantial amounts of Confidential Information, (c) Odyssey's business is conducted on a worldwide basis, and (d) provision for non-competition, non-recruitment and non-disparagement obligations by Executive is critical to Odyssey's continued economic well-being and protection of Odyssey's Confidential Information. In light of these considerations, this Article VI sets forth the terms and conditions of Executive's obligations of non-competition, non-recruitment and non-disparagement subsequent to the termination of this Agreement and/or Executive's employment for any reason.

6.02 NON-COMPETITION.

(a) Unless the obligation is waived or limited by Odyssey in accordance with subsection (b) of this Section 6.02, Executive agrees that for a period of three years following termination of employment for any reason ("Non-Compete Period"), Executive will not directly or indirectly, alone or as a partner, officer, director, shareholder or employee of any other firm or entity, engage in any commercial activity in competition with any part of Odyssey's business as conducted as of the date of such termination of employment or with any part of Odyssey's contemplated business with respect to which Executive has Confidential Information, provided however, that Odyssey shall continue to pay the Executive at the Base Rate in effect at the time of the Termination throughout the Non-Compete Period. For purposes of this subsection (a), "shareholder" shall not include beneficial ownership of less than five percent (5%) of the combined voting power of all issued and outstanding voting securities of a publicly held corporation whose stock is traded on a major stock exchange. Also for purposes of this subsection (a), "Odyssey's business" shall include business conducted by Odyssey or its affiliates and any partnership or joint venture in which Odyssey or its affiliates is a partner or joint venturer; provided that, "affiliate" as used in this sentence shall not include any corporation in which Odyssey has ownership of less than fifteen percent (15%) of the voting stock.

(b) At its sole option Odyssey may, by written notice to Executive at any time within the Non-Compete Period, waive or limit the time and/or geographic area in which Executive cannot engage in competitive activity.

(c) During the Non-Compete Period, prior to accepting employment with or agreeing to provide consulting services to, any firm or entity which offers competitive products or services, Executive shall give 30 days prior written notice to Odyssey. Such written notice shall describe the firm and the employment or consulting services to be rendered to the firm or entity, and shall include a copy of the written offer of employment

or engagement of consulting services. Odyssey's failure to respond or object to such notice shall not in any way constitute acquiescence or waiver of Odyssey's rights under this Article VI.

(d) In the event Executive fails to provide notice to Odyssey pursuant to subsection (c) of this Section 6.02 and/or in anyway violates its non-competition obligation pursuant to Section 6.02, Odyssey may enforce all of its rights and remedies provided to it under this Agreement, in law and in equity, and Executive shall be deemed to have expressly waived any rights he or she may have had to payments under subsection (d) of this Section 6.02.

6.03 NON-RECRUITMENT. For a period of three years following termination of employment for any reason, Executive will not initiate or actively participate in any other employer's recruitment or hiring of Odyssey employees without the express permission of Odyssey. This provision shall not preclude Executive from responding to a request (other than by Executive's employer) for a reference with respect to an individual's employment qualifications.

6.04 NON-DISPARAGEMENT. Executive will not, during the term or after the termination or expiration of this Agreement or Executive's employment, make disparaging statements, in any form, about Odyssey, its officers, directors, agents, employees, products or services which Executive knows, or has reason to believe, are false or misleading.

6.05 SURVIVAL. The obligations of this Article VI shall survive the expiration or termination of this Agreement and Executive's employment.

ARTICLE VII

GENERAL PROVISIONS

7.01 NO ADEQUATE REMEDY. The parties declare that it is impossible to measure in money the damages which will accrue to either party by reason of a failure to perform any of the obligations under this Agreement and therefore injunctive relief is appropriate. Therefore, if either party shall institute any action or proceeding to enforce the provisions hereof, the party against whom such action or proceeding is brought hereby waives the claim or defense that such party has an adequate remedy at law, and such party shall not urge in any such action or proceeding the claim or defense that such party has an adequate remedy at law.

7.02 SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Parent Corporation and each Subsidiary, whether by way of merger, consolidation, operation of law, assignment, purchase or other acquisition of substantially all of the assets or business of Odyssey, and any such successor or assign shall absolutely and unconditionally assume all of Odyssey's obligations hereunder.

7.03 NOTICES. All notices, requests and demands given to or made pursuant hereto shall, except as otherwise specified herein, be in writing and be delivered or mailed to any such party at its address:

(a) Odyssey Marine Exploration, Inc. 3604 Swann Avenue Tampa, Florida 33609.

(b) In the case of Executive shall be: At the address listed on the last page of this Agreement.

(c) Either party may, by notice hereunder, designate a changed address. Any notice, if mailed properly addressed, postage prepaid, registered or certified mail, shall be deemed dispatched on the registered date or that stamped on the certified mail receipt, and shall be deemed received within the second business day thereafter or when it is actually received, whichever is sooner.

7.04 CAPTIONS. The various headings or captions in this Agreement are for convenience only and shall not affect the meaning or interpretation of this Agreement.

7.05 GOVERNING LAW. The validity, construction and performance of this Agreement shall be governed by the laws of the State of Florida and any and every legal proceeding arising out of or in connection with this Agreement shall be brought in the appropriate courts of the State of Florida each of the parties hereby consenting to the exclusive jurisdiction of said courts for this purpose. The parties hereto expressly recognize and agree that the implementation of this Governing Law provision is essential in light of the fact that Parent Corporation's corporate headquarters and its principal executive offices are located within the State of Florida and there is a critical need for uniformity in the interpretation and enforcement of the employment agreements between Odyssey and its senior executives.

7.06 CONSTRUCTION. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

7.07 WAIVERS. No failure on the part of either party to exercise, and no delay in exercising, any right or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy granted hereby or by any related document or by law.

7.08 MODIFICATION. Any changes or amendments to this Agreement must be in writing and signed by both parties.

7.09 ENTIRE AGREEMENT. This Agreement constitutes the entire agreement and understanding between the parties hereto in reference to all the matters herein agreed upon. This Agreement replaces in full all prior employment agreements or understandings of the parties hereto, and any and all such prior agreements or understandings are hereby rescinded by mutual agreement.

IN WITNESS WHEREOF, The parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

Made effective the first day of March 2002

By:

/s/ George Knutsson
Odyssey Marine Exploration, Inc.
By: George Knutsson
Chairman of the Compensation Committee
Of the Board of Directors

/s/ David A. Morris
David A. Morris

EXHIBIT 10.2

EXECUTIVE EMPLOYMENT AGREEMENT

PARTIES

ODYSSEY MARINE EXPLORATION, INC.
(A NEVADA CORPORATION)

3604 SWANN AVENUE
TAMPA, FLORIDA 33609

AND

Gregory P. Stemm
3604 Swann Avenue
Tampa, Florida 33609
Vice President & Director

Effective March 1, 2002

RECITALS

A. Odyssey wishes to obtain the services of Executive for the term of this Agreement, and Executive wishes to provide his or her services for such period.

B. Odyssey desires reasonable protection of Odyssey's Confidential Information (as defined below).

C. Odyssey desires assurance that Executive will not compete with Odyssey, engage in recruitment of Odyssey's employees or make disparaging statements about Odyssey after termination of employment, and Executive is willing to refrain from such competition, recruitment and disparagement.

D. Executive desires to be assured of a minimum Base Salary (as defined below) from Odyssey for Executive's services for the term of this Agreement (unless terminated earlier pursuant to the terms of this Agreement).

E. It is expressly recognized by the parties that Executive's acceptance of, and continuance in, Executive's position with Odyssey and agreement to be bound by the terms of this Agreement represents a substantial commitment to Odyssey in terms of Executive's personal and professional career and a foregoing of present and future career options by Executive, for all of which Odyssey receives substantial value.

F. The parties wish to replace any and all prior employment agreements.

NOW, THEREFORE, in consideration of Executive's acceptance of and continuance in Executive's employment for the term of this Agreement and the parties' agreement to be bound by the terms contained herein, the parties agree as follows:

ARTICLE I

DEFINITIONS

1.01 "BASE SALARY" shall mean regular cash compensation paid on a periodic basis exclusive of benefits, bonuses or incentive payments.

1.02 "BOARD" shall mean the Board of Directors of Parent Corporation.

1.03 "ODYSSEY" shall mean Odyssey Marine Exploration, Inc., and

(a) Any Subsidiary (as that term is defined in Section 1.07); and

(b) Any successor in interest by way of consolidation, operation of law,

merger or otherwise.

1.04 "CONFIDENTIAL INFORMATION" shall mean information or material of Odyssey which is not generally available to or used by

others, or the utility or value of which is not generally known or recognized, whether or not the underlying details are in the public domain, including:

(a) Information or material relating to Odyssey and its business as conducted or anticipated to be conducted; business plans; research and operations past, current or anticipated; partners, customers or prospective partners or customers; or research, engineering, development, purchasing, accounting, or marketing activities;

(b) Information or material relating to Odyssey's improvements, discoveries, "know-how," technological developments, or unpublished writings or other works of authorship, or to the materials, apparatus, processes, formulae, plans or methods used in the development or marketing of Odyssey's technology, products or services;

(c) Information on or material relating to Odyssey which when received is marked as "proprietary," "private," or "confidential;"

(d) Trade secrets of Odyssey; contracts in any state of development or completion, partner or government negotiations relative to discoveries or potential discoveries, strategic and tactical business plans whether discussed or documented in internal Odyssey documents;

(e) Specialized technology of Odyssey in various stages of development, including computer programs, software designs, specifications, programming aids (including "library subroutines" and productivity tools), programming languages, interfaces, visual displays, technical documentation, user manuals, data files and databases of Odyssey; and

(f) Any similar information of the type described above which Odyssey received from another party and which Odyssey treats as or designates as being proprietary, private or confidential, whether or not owned or developed by Odyssey.

Notwithstanding the foregoing, "Confidential Information" does not include any information which is properly published or in the public domain; provided, however, that information which is published by or with the aid of Executive outside the scope of employment or contrary to the requirements of this Agreement will not be considered to have been properly published, and therefore will not be in the public domain for purposes of this Agreement.

1.05 "DISABILITY" shall mean the inability of Executive to perform his duties under this Agreement because of illness or incapacity for a continuous period of six months.

1.06 "PARENT CORPORATION" shall mean Odyssey Marine Exploration, Inc., and any successor in interest by way of consolidation, operation of law, merger or otherwise. "Parent Corporation" shall not include any Subsidiary.

1.07 "SUBSIDIARY" shall mean: (a) any corporation at least a majority of whose securities having ordinary voting power for the election of directors (other than securities having such power only by reason of the occurrence of a contingency) is at the time owned by Parent Corporation and/or one or more Subsidiaries; and (b) any division or business unit (or portion thereof) of Parent Corporation or a corporation described in clause (a) of this Section 1.07.

ARTICLE II

EMPLOYMENT, DUTIES, TERM AND STATUS

2.01 EMPLOYMENT. Upon the terms and conditions set forth in this Agreement, Odyssey hereby employs Executive, and Executive accepts such employment.

2.02 DUTIES. Executive shall devote his or her full-time and best efforts to Odyssey and to fulfilling the duties of his or her position which shall include such duties as may from time to time be assigned him by Odyssey, provided that such duties are reasonably consistent with Executive's education, experience and background. Executive shall comply with Odyssey's policies and procedures to the extent they are not inconsistent with this Agreement in which case the provisions of this Agreement prevail.

2.03 TERM. Subject to the provisions of Articles IV, this Agreement and Executive's employment shall continue until March 1, 2005.

2.04 EXECUTIVE OFFICER STATUS. Executive acknowledges that he will be an "executive officer" of the Company for purposes of the Securities Act of 1933 as amended (the "1933 Act"), and the Securities Exchange Act of 1934 as amended (the "1934 Act"), and he will comply in all respects with all the rules and regulations under the 1933 Act and the 1934 Act applicable to him in a timely and non-delinquent manner. In order to assist the company in complying with its obligations under the 1933 Act and the 1934 Act, Executive will provide to the Company such information about Executive as the Company will reasonably request including, but not limited to, information relating to personal history and stockholdings. Executive will report to the General Counsel of the Company or other designated officer of the Company all changes in beneficial ownership of any shares of the Company Common and Preferred Stock deemed to be beneficially owned by Executive and/or any members of Executive's family.

ARTICLE III

COMPENSATION AND EXPENSES

3.01 BASE SALARY. For all services rendered under this Agreement during the term of this Agreement, Odyssey shall pay Executive a minimum Base Salary at the annual rate of $150,000. If Executive's salary is increased from time to time during the term of this Agreement, the increased amount shall be the Base Salary for the remainder of the term.

3.02 BONUS AND INCENTIVE. Bonus or incentive compensation shall be at the sole discretion of the Compensation Committee of the Board of Directors. The Compensation Committee shall have the right, to alter, amend or eliminate any bonus or incentive plans, or Executive's participation therein, without compensation to Executive.

2.03 BUSINESS EXPENSES. Odyssey shall, consistent with its policies in effect from time to time, bear all ordinary and necessary business expenses incurred by Executive in performing his or her duties as an employee of Odyssey, provided that Executive accounts promptly for such expenses to Odyssey in the manner prescribed from time to time by Odyssey.

3.04 EMPLOYEE BENEFITS, VACATION. Odyssey shall provide Executive any health, life or disability insurance, pension, retirement savings, or any other benefit plan or arrangement now or hereafter maintained by Odyssey for its senior executives generally, and participation therein shall be in accordance with the provisions thereof generally applicable to such executives. Executive shall receive at least four weeks of paid vacation per annum.

3.05 EXECUTIVE BORROWING. Executive shall have the right to borrow up to the amount of Executive's Base Salary from Odyssey under commercially reasonable terms. In addition, Executive shall have the right to borrow up to $20,000 in order to exercise any options he may have been granted through Odyssey's 1997 Stock Option plan or any subsequent Stock Option Plan. Executive may use stock to repay these loans and all such loan amounts shall be 'grossed-up' in an amount sufficient to pay any taxes that may be owed by Executive as a result of the stock transfer. Upon termination of employment for any reason, all loans must be repaid within 180 days.

ARTICLE IV

TERMINATION

4.01 EARLY TERMINATION. This Article does not alter the respective continuing obligations of the parties pursuant to Articles V, VI.

4.02 TERMINATION FOR CAUSE. Odyssey may terminate this Agreement and Executive's employment immediately for cause. For the purpose hereof "cause" means:

(a) A conviction or adjudication for Fraud;

(b) Theft or embezzlement of Odyssey assets;

(c) Failure to follow Odyssey's conduct and ethics policies; and/or the continued failure by Executive to attempt in good faith to perform his or her duties as reasonably assigned to Executive pursuant to Section 2.02 of Article II of this Agreement for a period of 60 days after a written demand for such performance, which specifically identifies the manner in which it is alleged Executive has not attempted in good faith to perform such duties or has violated Odyssey's conduct and ethics policies.

In the event of termination for cause pursuant to this Section 4.02, Executive shall be paid at the usual rate of Executive's annual Base Salary through the date of termination specified in any written notice of termination.

4.03 TERMINATION WITHOUT CAUSE. Either Executive or Odyssey may terminate this Agreement and Executive's employment without cause on at least 75 days' written notice. In the event of termination of this Agreement and of Executive's employment pursuant to this Section 4.03, compensation shall be paid as follows:

(a) If Executive gives the notice of termination, Executive shall be paid at the usual rate of his or her annual Base Salary through the 75-day notice period;

(b) If the notice of termination is given by Odyssey, (1) Executive shall be paid at the usual rate of his or her annual Base Salary through the 75 day notice period, however, Odyssey shall have the option of making termination of the Agreement and Executive's employment effective immediately upon notice in which case Executive shall be paid a lump sum representing the value of 75 days worth of salary; and (2) Executive

shall receive, starting within 15 days after the end of the 75 day notice period, two year's Base Salary payable, at the sole discretion of Odyssey, in either the form of a lump sum payment or on a regular payroll period basis. (3) Executive shall receive the bonus, if any, to which Executive would otherwise have become entitled under all applicable Odyssey bonus plans in effect at the time of termination of this Agreement had Executive remained continuously employed for the full fiscal year in which termination occurred and continued to perform his or her duties in the same manner as they were performed immediately prior to termination, multiplied by a fraction, the numerator of which shall be the number of whole months Executive was employed in the year in which termination occurred and the denominator of which is 12. This bonus amount shall be paid within 15 days after the date such bonus would have been paid had Executive remained employed for the full fiscal year. (4) Odyssey shall provide or make arrangements for reasonable outplacement services for Executive based on his or her level within Odyssey.

4.04 TERMINATION IN THE EVENT OF DEATH OR DISABILITY. This Agreement shall terminate in the event of death or disability of Executive.

(a) In the event of Executive's death, Odyssey shall pay an amount equal to 12 months of Base Salary at the rate in effect at the time of Executive's death plus the amount Executive would have received in annual incentive plan bonus for the year in which the death occurs had "target" goals been achieved. Such amount shall be paid (1) to the beneficiary or beneficiaries designated in writing to Odyssey by Executive, (2) in the absence of such designation to the surviving spouse, or (3) if there is no surviving spouse, or such surviving spouse disclaims all or any part, then the full amount, or such disclaimed portion, shall be paid to the executor, administrator or other personal representative of Executive's estate. The amount shall be paid as a lump sum as soon as practicable following Odyssey's receipt of notice of Executive's death. All such payments shall be in addition to any payments due pursuant to Section 4.04(c) below.

(b) In the event of Executive's disability, Base Salary shall be terminated as of the end of the month in which the last day of the six-month period of Executive's inability to perform his or her duties occurs.

(c) In the event of termination by reason of Executive's non-job related disability Odyssey shall pay to Executive any amount equal to (1) the amount Executive would have received in annual incentive plan bonus for the year in which termination occurs had "target" goals been achieved, multiplied by (2) a

fraction, the numerator of which shall be the number of whole months Executive was employed in the year in which the death or disability occurred and the denominator of which is 12. The amount payable pursuant to this Section 4.04(c) shall be paid within 15 days after the date such bonus would have been paid had Executive remained employed for the full fiscal year.

(d) In the event of termination by reason of Executives job-related disability, Odyssey shall pay an amount equal to 12 months of Base Salary at the rate in effect at the time of Executive's death plus the amount Executive would have received in annual incentive plan bonus for the year in which the death occurs had "target" goals been achieved. Such amount shall be paid (1) to the beneficiary or beneficiaries designated in writing to Odyssey by Executive, (2) in the absence of such designation to the surviving spouse, or
(3) if there is no surviving spouse, or such surviving spouse disclaims all or any part, then the full amount, or such disclaimed portion, shall be paid to the executor, administrator or other personal representative of Executive's estate. The Base Salary amount payable pursuant to this Section 4.04(d) shall be paid within 15 days after the date of termination and the incentive bonus shall be paid at such time as the bonus would have been paid had Executive remained employed for the full fiscal year.

4.05 RETIREMENT.

(a) Executive may terminate this Agreement and Executive's employment as a result of Executive's decision to retire from Odyssey. Executive shall provide Odyssey with at least 75 days' written notice of the date upon which Executive intends to retire. Executive shall be paid at the usual rate of his or her annual Base Salary through the date of retirement stipulated in the written notice.

(b) In the event that Executive terminates this Agreement as a result of Executive's decision to retire from Odyssey and Executive is at least 55 years of age with five or more years of service to Odyssey, then Executive (and anyone entitled to claim under or through Executive) shall, until age 65, be entitled to receive from Odyssey the same or equivalent health, dental, accidental death and dismemberment, short and long-term disability, life insurance coverages, and all other insurance policies and health and welfare benefits programs, policies or arrangements, at the same levels and coverages as Executive was receiving on the day immediately prior to his or her retirement. Executive shall be required to pay no more for the above mentioned benefits than he/she paid as an active employee, or if provided by Odyssey at no cost to employees on the day immediately prior to Executive's retirement, they shall continue to be made available to Executive on this basis.

4.06 ENTIRE TERMINATION PAYMENT. The compensation provided for in this Article IV for early termination of this Agreement and termination pursuant to this Article IV shall constitute Executive's sole remedy for such termination. Executive shall not be entitled to any other termination or severance payment which may be payable to Executive under any other agreement between Executive and Odyssey.

ARTICLE V

CONFIDENTIALITY, DISCLOSURE AND ASSIGNMENT

5.01 CONFIDENTIALITY. Executive will not, during the term or after the termination or expiration of this Agreement or his employment, publish,

disclose, or utilize in any manner any Confidential Information obtained while employed by Odyssey. If Executive leaves the employ of Odyssey, Executive will not, without Odyssey's prior written consent, retain or take away any drawing, writing, list, data or other record or information in any form containing any Confidential Information.

5.02 BUSINESS CONDUCT AND ETHICS. During the term of employment with Odyssey, Executive will engage in no activity or employment which may conflict with the interest of Odyssey, and will comply with Odyssey's policies and guidelines pertaining to business conduct and ethics. Noting in this Agreement shall prohibit Executive from serving on one or more boards of director's of either for profit or not-for-profit companies or chartable organizations so long as the entities do not compete with Odyssey.

5.03 DISCLOSURE. Executive will disclose promptly in writing to Odyssey all inventions, discoveries, software, writings and other works of authorship which are conceived, made, discovered, or written jointly or singly on Odyssey time, providing the invention, improvement, discovery, software, writing or other work of authorship is capable of being used by Odyssey in the normal course of business, and all such inventions, improvements, discoveries, software, writings and other works of authorship shall belong solely to Odyssey. Executive may petition the company and the Board of Directors to negotiate for shared ownership and shared rights to royalties for published work that reflects positively on the reputation and the net worth of the company. Nothing in this paragraph shall prohibit the Executive from authoring books or articles about shipwrecks or the shipwreck business provided that such books and/or articles do not divulge any trade secrets or Confidential Information and do not compete directly with any of Odyssey's business.

5.04 INSTRUMENTS OF ASSIGNMENT. Except as the Executive and company may agree to shared rights to ownership and royalties, Executive will sign and execute all instruments of assignment and other papers to evidence vestiture of Executive's entire right, title and interest in such inventions, improvements, discoveries, software, writings or other works of authorship in Odyssey, at the request and the expense of Odyssey, and Executive will do all acts and sign all instruments of assignment and other papers Odyssey may reasonably request relating to applications for patents, copyrights, and the enforcement and protection thereof. If Executive is needed, at any time, to give testimony, evidence, or opinions in any litigation or proceeding involving any patents or copyrights or applications for patents or copyrights, both domestic and foreign, relating to inventions, improvements, discoveries, software, writings or other works of authorship conceived, developed or reduced to practice by Executive, Executive agrees to do so, and if Executive leaves the employ of Odyssey, Odyssey shall pay Executive at a rate mutually agreeable to Executive and Odyssey, plus reasonable traveling or other expenses.

5.05 EXECUTIVE'S DECLARATION. Executive must declare his rights to inventions, databases, improvements, discoveries, software, writings or other works of authorship useful to Odyssey in the normal course of business, which were conceived, made or written prior to the date of this Agreement and which is excluded from this Agreement.

ARTICLE VI

NON-COMPETITION, NON-RECRUITMENT, AND NON-DISPARAGEMENT

6.01 GENERAL. The parties hereto recognize and agree that (a) Executive is a senior executive of Odyssey and is a key executive of Odyssey, (b) Executive has received, and will in the future receive, substantial amounts of Confidential Information, (c) Odyssey's business is conducted on a worldwide basis, and (d) provision for non-competition, non-recruitment and non-disparagement obligations by Executive is critical to Odyssey's continued economic well-being and protection of Odyssey's Confidential Information. In light of these considerations, this Article VI sets forth the terms and conditions of Executive's obligations of non-competition, non-recruitment and non-disparagement subsequent to the termination of this Agreement and/or Executive's employment for any reason.

6.02 NON-COMPETITION.

(a) Unless the obligation is waived or limited by Odyssey in accordance with subsection (b) of this Section 6.02, Executive agrees that for a period of three years following termination of employment for any reason ("Non-Compete Period"), Executive will not directly or indirectly, alone or as a partner, officer, director, shareholder or employee of any other firm or entity, engage in any commercial activity in competition with any part of Odyssey's business as conducted as of the date of such termination of employment or with any part of Odyssey's contemplated business with respect to which Executive has Confidential Information, provided however, that Odyssey shall continue to pay the Executive at the Base Rate in effect at the time of the Termination throughout the Non-Compete Period. For purposes of this subsection (a), "shareholder" shall not include beneficial ownership of less than five percent (5%) of the combined voting power of all issued and outstanding voting securities of a publicly held corporation whose stock is traded on a major stock exchange. Also for purposes of this subsection (a), "Odyssey's business" shall include business conducted by Odyssey or its affiliates and any partnership or joint venture in which Odyssey or its affiliates is a partner or joint venturer; provided that, "affiliate" as used in this sentence shall not include any corporation in which Odyssey has ownership of less than fifteen percent (15%) of the voting stock.

(b) At its sole option Odyssey may, by written notice to Executive at any time within the Non-Compete Period, waive or limit the time and/or geographic area in which Executive cannot engage in competitive activity.

(c) During the Non-Compete Period, prior to accepting employment with or agreeing to provide consulting services to, any firm or entity which offers competitive products or services, Executive shall give 30 days prior written notice to Odyssey. Such written notice shall describe the firm and the employment or consulting services to be rendered to the firm or entity, and shall include a copy of the written offer of employment or engagement of consulting services. Odyssey's failure to respond or object to such notice shall not in any way constitute acquiescence or waiver of Odyssey's rights under this Article VI.

(d) In the event Executive fails to provide notice to Odyssey pursuant to subsection (c) of this Section 6.02 and/or in anyway violates its non-competition obligation pursuant to Section 6.02, Odyssey may enforce all

of its rights and remedies provided to it under this Agreement, in law and in equity, and Executive shall be deemed to have expressly waived any rights he or she may have had to payments under subsection (d) of this Section 6.02.

6.03 NON-RECRUITMENT. For a period of three years following termination of employment for any reason, Executive will not initiate or actively participate in any other employer's recruitment or hiring of Odyssey employees without the express permission of Odyssey. This provision shall not preclude Executive from responding to a request (other than by Executive's employer) for a reference with respect to an individual's employment qualifications.

6.04 NON-DISPARAGEMENT. Executive will not, during the term or after the termination or expiration of this Agreement or Executive's employment, make disparaging statements, in any form, about Odyssey, its officers, directors, agents, employees, products or services which Executive knows, or has reason to believe, are false or misleading.

6.05 SURVIVAL. The obligations of this Article VI shall survive the expiration or termination of this Agreement and Executive's employment.

ARTICLE VII

GENERAL PROVISIONS

7.01 NO ADEQUATE REMEDY. The parties declare that it is impossible to measure in money the damages which will accrue to either party by reason of a failure to perform any of the obligations under this Agreement and therefore injunctive relief is appropriate. Therefore, if either party shall institute any action or proceeding to enforce the provisions hereof, the party against whom such action or proceeding is brought hereby waives the claim or defense that such party has an adequate remedy at law, and such party shall not urge in any such action or proceeding the claim or defense that such party has an adequate remedy at law.

7.02 SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Parent Corporation and each Subsidiary, whether by way of merger, consolidation, operation of law, assignment, purchase or other acquisition of substantially all of the assets or business of Odyssey, and any such successor or assign shall absolutely and unconditionally assume all of Odyssey's obligations hereunder.

7.03 NOTICES. All notices, requests and demands given to or made pursuant hereto shall, except as otherwise specified herein, be in writing and be delivered or mailed to any such party at its address:

(a) Odyssey Marine Exploration, Inc. 3604 Swann Avenue Tampa, Florida 33609.

(b) In the case of Executive shall be: At the address listed on the last page of this Agreement.

(c) Either party may, by notice hereunder, designate a changed address. Any notice, if mailed properly addressed, postage prepaid, registered or certified mail, shall be deemed dispatched on the registered date or that stamped on the certified mail receipt, and shall be deemed received within the second business day thereafter or when it is actually received, whichever is sooner.

7.04 CAPTIONS. The various headings or captions in this Agreement are for convenience only and shall not affect the meaning or interpretation of this Agreement.

7.05 GOVERNING LAW. The validity, construction and performance of this Agreement shall be governed by the laws of the State of Florida and any and every legal proceeding arising out of or in connection with this Agreement shall be brought in the appropriate courts of the State of Florida each of the parties hereby consenting to the exclusive jurisdiction of said courts for this purpose. The parties hereto expressly recognize and agree that the implementation of this Governing Law provision is essential in light of the fact that Parent Corporation's corporate

headquarters and its principal executive offices are located within the State of Florida and there is a critical need for uniformity in the interpretation and enforcement of the employment agreements between Odyssey and its senior executives.

7.06 CONSTRUCTION. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

7.07 WAIVERS. No failure on the part of either party to exercise, and no delay in exercising, any right or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy granted hereby or by any related document or by law.

7.08 MODIFICATION. Any changes or amendments to this Agreement must be in writing and signed by both parties.

7.09 ENTIRE AGREEMENT. This Agreement constitutes the entire agreement and understanding between the parties hereto in reference to all the matters herein agreed upon. This Agreement replaces in full all prior employment agreements or understandings of the parties hereto, and any and all such prior agreements or understandings are hereby rescinded by mutual agreement.

IN WITNESS WHEREOF, The parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

Made effective the first day of March 2002

By: /s/ George Knutsson	*/s/ Gregory P. Stemm*
Odyssey Marine Exploration, Inc.	*Gregory P. Stemm*
By: George Knutsson	
Chairman of the Compensation Committee	
Of the Board of Directors	

EXHIBIT 10.3

EXECUTIVE EMPLOYMENT AGREEMENT

PARTIES

ODYSSEY MARINE EXPLORATION, INC.
(A NEVADA CORPORATION)

3604 SWANN AVENUE
TAMPA, FLORIDA 33609

AND

John C. Morris
3604 Swann Avenue
Tampa, Florida 33609
President & Chief Executive Officer

Effective March 1, 2002

RECITALS

A. Odyssey wishes to obtain the services of Executive for the term of this Agreement, and Executive wishes to provide his or her services for such period.

B. Odyssey desires reasonable protection of Odyssey's Confidential Information (as defined below).

C. Odyssey desires assurance that Executive will not compete with Odyssey, engage in recruitment of Odyssey's employees or make disparaging statements about Odyssey after termination of employment, and Executive is willing to refrain from such competition, recruitment and disparagement.

D. Executive desires to be assured of a minimum Base Salary (as defined below) from Odyssey for Executive's services for the term of this Agreement (unless terminated earlier pursuant to the terms of this Agreement).

E. It is expressly recognized by the parties that Executive's acceptance of, and continuance in, Executive's position with Odyssey and agreement to be bound by the terms of this Agreement represents a substantial commitment to Odyssey in terms of Executive's personal and professional career and a foregoing of present and future career options by Executive, for all of which Odyssey receives substantial value.

F. The parties wish to replace any and all prior employment agreements.

NOW, THEREFORE, in consideration of Executive's acceptance of and continuance in Executive's employment for the term of this Agreement and the parties' agreement to be bound by the terms contained herein, the parties agree as follows:

ARTICLE I

DEFINITIONS

1.01 "BASE SALARY" shall mean regular cash compensation paid on a periodic basis exclusive of benefits, bonuses or incentive payments.

1.02 "BOARD" shall mean the Board of Directors of Parent Corporation.

1.03 "ODYSSEY" shall mean Odyssey Marine Exploration, Inc., and

(a) Any Subsidiary (as that term is defined in Section 1.07); and

(b) Any successor in interest by way of consolidation, operation of law, merger or otherwise.

1.04 "CONFIDENTIAL INFORMATION" shall mean information or material of Odyssey which is not generally available to or used by others, or the utility or value of which is not generally known or recognized, whether or not the underlying details are in the public domain, including:

(a) Information or material relating to Odyssey and its business as conducted or anticipated to be conducted; business plans; research and operations past, current or anticipated; partners, customers or prospective partners or customers; or research, engineering, development, purchasing, accounting, or marketing activities;

(b) Information or material relating to Odyssey's improvements, discoveries, "know-how," technological developments, or unpublished writings or other works of authorship, or to the materials, apparatus, processes, formulae, plans or methods used in the development or marketing of Odyssey's technology, products or services;

(c) Information on or material relating to Odyssey which when received is marked as "proprietary," "private," or "confidential;"

(d) Trade secrets of Odyssey; contracts in any state of development or completion, partner or government negotiations relative to discoveries or potential discoveries, strategic and tactical business plans whether discussed or documented in internal Odyssey documents;

(e) Specialized technology of Odyssey in various stages of development, including computer programs, software designs, specifications, programming aids (including "library subroutines" and productivity tools), programming languages, interfaces, visual displays, technical documentation, user manuals, data files and databases of Odyssey; and

(f) Any similar information of the type described above which Odyssey received from another party and which Odyssey treats as or designates as being proprietary, private or confidential, whether or not owned or developed by Odyssey.

Notwithstanding the foregoing, "Confidential Information" does not include any information which is properly published or in the public domain; provided, however, that information which is published by or with the aid of Executive outside the scope of employment or contrary to the requirements of this Agreement will not be considered to have been properly published, and therefore will not be in the public domain for purposes of this Agreement.

1.05 "DISABILITY" shall mean the inability of Executive to perform his duties under this Agreement because of illness or incapacity for a continuous period of six months.

1.06 "PARENT CORPORATION" shall mean Odyssey Marine Exploration, Inc., and any successor in interest by way of consolidation, operation of law, merger or otherwise. "Parent Corporation" shall not include any Subsidiary.

1.07 "SUBSIDIARY" shall mean: (a) any corporation at least a majority of whose securities having ordinary voting power for the election of directors (other than securities having such power only by reason of the occurrence of a contingency) is at the time owned by Parent Corporation and/or one or more Subsidiaries; and (b) any division or business unit (or portion thereof) of Parent Corporation or a corporation described in clause (a) of this Section 1.07.

ARTICLE II

EMPLOYMENT, DUTIES, TERM AND STATUS

2.01 EMPLOYMENT. Upon the terms and conditions set forth in this Agreement, Odyssey hereby employs Executive, and Executive accepts

such employment.

2.02 DUTIES. Executive shall devote his or her full-time and best efforts to Odyssey and to fulfilling the duties of his or her position which shall include such duties as may from time to time be assigned him by Odyssey, provided that such duties are reasonably consistent with Executive's education, experience and background. Executive shall comply with Odyssey's policies and procedures to the extent they are not inconsistent with this Agreement in which case the provisions of this Agreement prevail.

1.03 TERM. Subject to the provisions of Articles IV, this Agreement and Executive's employment shall continue until March 1, 2005.

1.04 EXECUTIVE OFFICER STATUS. Executive acknowledges that he will be an "executive officer" of the Company for purposes of the Securities Act of 1933 as amended (the "1933 Act"), and the Securities Exchange Act of 1934 as amended (the "1934 Act"), and he will comply in all respects with all the rules and regulations under the 1933 Act and the 1934 Act applicable to him in a timely and non-delinquent manner. In order to assist the company in complying with its obligations under the 1933 Act and the 1934 Act, Executive will provide to the Company such information about Executive as the Company will reasonably request including, but not limited to, information relating to personal history and stockholdings. Executive will report to the General Counsel of the Company or other designated officer of the Company all changes in beneficial ownership of any shares of the Company Common and Preferred Stock deemed to be beneficially owned by Executive and/or any members of Executive's family.

ARTICLE III

COMPENSATION AND EXPENSES

3.01 BASE SALARY. For all services rendered under this Agreement during the term of this Agreement, Odyssey shall pay Executive a minimum Base Salary at the annual rate of $150,000. If Executive's salary is increased from time to time during the term of this Agreement, the increased amount shall be the Base Salary for the remainder of the term.

3.02 BONUS AND INCENTIVE. Bonus or incentive compensation shall be at the sole discretion of the Compensation Committee of the Board of Directors. The Compensation Committee shall have the right, to alter, amend or eliminate any bonus or incentive plans, or Executive's participation therein, without compensation to Executive.

3.03 BUSINESS EXPENSES. Odyssey shall, consistent with its policies in effect from time to time, bear all ordinary and necessary business expenses incurred by Executive in performing his or her duties as an employee of Odyssey, provided that Executive accounts promptly for such expenses to Odyssey in the manner prescribed from time to time by Odyssey.

3.04 EMPLOYEE BENEFITS, VACATION. Odyssey shall provide Executive any health, life or disability insurance, pension, retirement savings, or any other benefit plan or arrangement now or hereafter maintained by Odyssey for its senior executives generally, and participation therein shall be in accordance with the provisions thereof generally applicable to such executives. Executive shall receive at least four weeks of paid vacation per annum.

3.05 EXECUTIVE BORROWING. Executive shall have the right to borrow up to the amount of Executive's Base Salary from Odyssey under commercially reasonable terms. In addition, Executive shall have the right to borrow up to $20,000 in order to exercise any options he may have been granted through Odyssey's 1997 Stock Option plan or any subsequent Stock Option Plan. Executive may use stock to repay these loans and all such loan amounts shall be 'grossed-up' in an amount sufficient to pay any taxes that may be owed by Executive as a result of the stock transfer. Upon termination of employment for any reason, all loans must be repaid within 180 days.

ARTICLE IV

TERMINATION

4.01 EARLY TERMINATION. This Article does not alter the respective continuing obligations of the parties pursuant to Articles V, VI.

4.02 TERMINATION FOR CAUSE. Odyssey may terminate this Agreement and Executive's employment immediately for cause. For the purpose hereof "cause" means:

(a) A conviction or adjudication for Fraud;

(b) Theft or embezzlement of Odyssey assets;

(c) Failure to follow Odyssey's conduct and ethics policies; and/or the continued failure by Executive to attempt in good faith to perform his or her duties as reasonably assigned to Executive pursuant to Section 2.02 of Article II of this Agreement for a period of 60 days after a written demand for such performance, which specifically identifies the manner in which it is alleged Executive has not attempted in good faith to

perform such duties or has violated Odyssey's conduct and ethics policies.

In the event of termination for cause pursuant to this Section 4.02, Executive shall be paid at the usual rate of Executive's annual Base Salary through the date of termination specified in any written notice of termination.

4.03 TERMINATION WITHOUT CAUSE. Either Executive or Odyssey may terminate this Agreement and Executive's employment without cause on at least 75 days' written notice. In the event of termination of this Agreement and of Executive's employment pursuant to this Section 4.03, compensation shall be paid as follows:

(a) If Executive gives the notice of termination, Executive shall be paid at the usual rate of his or her annual Base Salary through the 75-day notice period;

(b) If the notice of termination is given by Odyssey, (1) Executive shall be paid at the usual rate of his or her annual Base Salary through the 75 day notice period, however, Odyssey shall have the option of making termination of the Agreement and Executive's employment effective immediately upon notice in which case Executive shall be paid a lump sum representing the value of 75 days worth of salary; and (2) Executive shall receive, starting within 15 days after the end of the 75 day notice period, two year's Base Salary payable, at the sole discretion of Odyssey, in either the form of a lump sum payment or on a regular payroll period basis. (3) Executive shall receive the bonus, if any, to which Executive would otherwise have become entitled under all applicable Odyssey bonus plans in effect at the time of termination of this Agreement had Executive remained continuously employed for the full fiscal year in which termination occurred and continued to perform his or her duties in the same manner as they were performed immediately prior to termination, multiplied by a fraction, the numerator of which shall be the number of whole months Executive was employed in the year in which termination occurred and the denominator of which is 12. This bonus amount shall be paid within 15 days after the date such bonus would have been paid had Executive remained employed for the full fiscal year. (4) Odyssey shall provide or make arrangements for reasonable outplacement services for Executive based on his or her level within Odyssey.

4.04 TERMINATION IN THE EVENT OF DEATH OR DISABILITY. This Agreement shall terminate in the event of death or disability of Executive.

(a) In the event of Executive's death, Odyssey shall pay an amount equal to 12 months of Base Salary at the rate in effect at the time of Executive's death plus the amount Executive would have received in annual incentive plan bonus for the year in which the death occurs had "target" goals been achieved. Such amount shall be paid (1) to the beneficiary or beneficiaries designated in writing to Odyssey by Executive, (2) in the absence of such designation to the surviving spouse, or (3) if there is no surviving spouse, or such surviving spouse disclaims all or any part, then the full amount, or such disclaimed portion, shall be paid to the executor, administrator or other personal representative of Executive's estate. The amount shall be paid as a lump sum as soon as practicable following Odyssey's receipt of notice of Executive's death. All such payments shall be in addition to any payments due pursuant to Section 4.04(c) below.

(b) In the event of Executive's disability, Base Salary shall be terminated as of the end of the month in which the last day of the six-month period of Executive's inability to perform his or her duties occurs.

(c) In the event of termination by reason of Executive's non-job related disability Odyssey shall pay to Executive any amount equal to (1) the amount Executive would have received in annual incentive plan bonus for the year in which termination occurs had "target" goals been achieved, multiplied by (2) a fraction, the numerator of which shall be the number of whole months Executive was employed in the year in which the death or disability occurred and the denominator of which is 12. The amount payable pursuant to this Section 4.04(c) shall be paid within 15 days after the date such bonus would have been paid had Executive remained employed for the full fiscal year.

(d) In the event of termination by reason of Executives job-related disability, Odyssey shall pay an amount equal to 12 months of Base Salary at the rate in effect at the time of Executive's death plus the amount Executive would have received in annual incentive plan bonus for the year in which the death occurs had "target" goals been achieved. Such amount shall be paid (1) to the beneficiary or beneficiaries designated in writing to Odyssey by Executive, (2) in the absence of such designation to the surviving spouse, or (3) if there is no surviving spouse, or such surviving spouse disclaims all or any part, then the full amount, or such disclaimed portion, shall be paid to the executor, administrator or other personal representative of Executive's estate. The Base Salary amount payable pursuant to this Section 4.04(d) shall be paid within 15 days after the date of termination and the incentive bonus shall be paid at such time as the bonus would have been paid had Executive remained employed for the full fiscal year.

4.05 RETIREMENT.

(a) Executive may terminate this Agreement and Executive's employment as a result of Executive's decision to retire from Odyssey. Executive shall provide Odyssey with at least 75 days' written notice of the date upon which Executive intends to retire. Executive shall be paid at the usual rate of his or her annual Base Salary through the date of retirement stipulated in the written notice.

(b) In the event that Executive terminates this Agreement as a result of Executive's decision to retire from Odyssey and Executive is at least 55 years of age with five or more years of service to Odyssey, then Executive (and anyone entitled to claim under or through Executive) shall, until age 65, be entitled to receive from Odyssey the same or equivalent health, dental, accidental death and dismemberment, short and long-term disability, life insurance coverages, and all other insurance policies and health and welfare benefits programs, policies or arrangements, at the same levels and coverages as Executive was receiving on the day immediately prior to his or her retirement. Executive shall be required to pay no more for the above mentioned benefits than he/she paid as an active employee, or if provided by Odyssey at no cost to employees on the day immediately prior to Executive's retirement, they shall continue to be made available to Executive on this basis.

4.06 ENTIRE TERMINATION PAYMENT. The compensation provided for in this Article IV for early termination of this Agreement and termination pursuant to this Article IV shall constitute Executive's sole remedy for such termination. Executive shall not be entitled to any other termination or severance payment which may be payable to Executive under any other agreement between Executive and Odyssey.

ARTICLE V

CONFIDENTIALITY, DISCLOSURE AND ASSIGNMENT

5.01 CONFIDENTIALITY. Executive will not, during the term or after the termination or expiration of this Agreement or his employment, publish, disclose, or utilize in any manner any Confidential Information obtained while employed by Odyssey. If Executive leaves the employ of Odyssey, Executive will not, without Odyssey's prior written consent, retain or take away any drawing, writing, list, data or other record or information in any form containing any Confidential Information.

5.02 BUSINESS CONDUCT AND ETHICS. During the term of employment with Odyssey, Executive will engage in no activity or employment which may conflict with the interest of Odyssey, and will comply with Odyssey's policies and guidelines pertaining to business conduct and ethics. Noting in this Agreement shall prohibit Executive from serving on one or more boards of director's of either for profit or not-for-profit companies or chartable organizations so long as the entities do not compete with Odyssey.

5.03 DISCLOSURE. Executive will disclose promptly in writing to Odyssey all inventions, discoveries, software, writings and other works of authorship which are conceived, made, discovered, or written jointly or singly on Odyssey time, providing the invention, improvement, discovery, software, writing or other work of authorship is capable of being used by Odyssey in the normal course of business, and all such inventions, improvements, discoveries, software, writings and other works of authorship shall belong solely to Odyssey. Executive may petition the company and the Board of Directors to negotiate for shared ownership and shared rights to royalties for published work that reflects positively on the reputation and the net worth of the company. Nothing in this paragraph shall prohibit the Executive from authoring books or articles about shipwrecks or the shipwreck business provided that such books and/or articles do not divulge any trade secrets or Confidential Information and do not compete directly with any of Odyssey's business.

5.04 INSTRUMENTS OF ASSIGNMENT. Except as the Executive and company may agree to shared rights to ownership and royalties, Executive will sign and execute all instruments of assignment and other papers to evidence vestiture of Executive's entire right, title and interest in such inventions, improvements, discoveries, software, writings or other works of authorship in Odyssey, at the request and the expense of Odyssey, and Executive will do all acts and sign all instruments of assignment and other papers Odyssey may reasonably request relating to applications for patents, copyrights, and the enforcement and protection thereof. If Executive is needed, at any time, to give testimony, evidence, or opinions in any litigation or proceeding involving any patents or copyrights or applications for patents or copyrights, both domestic and foreign, relating to inventions, improvements, discoveries, software, writings or other works of authorship conceived, developed or reduced to practice by Executive, Executive agrees to do so, and if Executive leaves the employ of Odyssey, Odyssey shall pay Executive at a rate mutually agreeable to Executive and Odyssey, plus reasonable traveling or other expenses.

5.06 EXECUTIVE'S DECLARATION. Executive must declare his rights to inventions, databases, improvements, discoveries, software, writings or other works of authorship useful to Odyssey in the normal course of business, which were conceived, made or written prior to the date of this Agreement and which is excluded from this Agreement.

ARTICLE VI

NON-COMPETITION, NON-RECRUITMENT, AND NON-DISPARAGEMENT

6.01 GENERAL. The parties hereto recognize and agree that (a) Executive is a senior executive of Odyssey and is a key executive of Odyssey, (b) Executive has received, and will in the future receive, substantial amounts of Confidential Information, (c) Odyssey's business is conducted on a worldwide basis, and (d) provision for non-competition, non-recruitment and non-disparagement obligations by Executive is critical to Odyssey's continued economic well-being and protection of Odyssey's Confidential Information. In light of these considerations, this Article VI sets forth the terms and conditions of Executive's obligations of non-competition, non-recruitment and non-disparagement subsequent to the termination of this Agreement and/or Executive's employment for any reason.

6.02 NON-COMPETITION.

(a) Unless the obligation is waived or limited by Odyssey in accordance with subsection (b) of this Section 6.02, Executive agrees that for a period of three years following termination of employment for any reason ("Non-Compete Period"), Executive will not directly or indirectly, alone or as a partner, officer, director, shareholder or employee of any other firm or entity, engage in any commercial activity in competition with any part of Odyssey's business as conducted as of the date of such termination of employment or with any part of Odyssey's contemplated business with respect to which Executive has Confidential Information, provided however, that Odyssey shall continue to pay the Executive at the Base Rate in effect at the time of the Termination throughout the Non-Compete Period. For purposes of this subsection (a), "shareholder" shall not include beneficial ownership of less than five percent (5%) of the combined voting power of all issued and outstanding voting securities of a publicly held corporation whose stock is traded on a major stock exchange. Also for purposes of this subsection (a), "Odyssey's business" shall include business conducted by Odyssey or its affiliates and any partnership or joint venture in which Odyssey or its affiliates is a partner or joint venturer; provided that, "affiliate" as used in this sentence shall not include any corporation in which Odyssey has ownership of less than fifteen percent (15%) of the voting stock.

(b) At its sole option Odyssey may, by written notice to Executive at any time within the Non-Compete Period, waive or limit the time and/or geographic area in which Executive cannot engage in competitive activity.

(c) During the Non-Compete Period, prior to accepting employment with or agreeing to provide consulting services to, any firm or entity which offers competitive products or services, Executive shall give 30 days prior written notice to Odyssey. Such written notice shall describe the firm and the employment or consulting services to be rendered to the firm or entity, and shall include a copy of the written offer of employment or engagement of consulting services. Odyssey's failure to respond or object to such notice shall not in any way constitute acquiescence or waiver of Odyssey's rights under this Article VI.

(d) In the event Executive fails to provide notice to Odyssey pursuant to subsection (c) of this Section 6.02 and/or in anyway violates its non-competition obligation pursuant to Section 6.02, Odyssey may enforce all of its rights and remedies provided to it under this Agreement, in law and in equity, and Executive shall be deemed to have expressly waived any rights he or she may have had to payments under subsection (d) of this Section 6.02.

6.03 NON-RECRUITMENT. For a period of three years following termination of employment for any reason, Executive will not initiate or actively participate in any other employer's recruitment or hiring of Odyssey employees without the express permission of Odyssey. This provision shall not preclude Executive from responding to a request (other than by Executive's employer) for a reference with respect to an individual's employment qualifications.

6.04 NON-DISPARAGEMENT. Executive will not, during the term or after the termination or expiration of this Agreement or Executive's employment, make disparaging statements, in any form, about Odyssey, its officers, directors, agents, employees, products or services which Executive knows, or has reason to believe, are false or misleading.

6.05 SURVIVAL. The obligations of this Article VI shall survive the expiration or termination of this Agreement and Executive's employment.

ARTICLE VII

GENERAL PROVISIONS

7.01 NO ADEQUATE REMEDY. The parties declare that it is impossible to measure in money the damages which will accrue to either party by reason of a failure to perform any of the obligations under this Agreement and therefore injunctive relief is appropriate. Therefore, if either party shall institute any action or proceeding to enforce the provisions hereof, the party against whom such action or proceeding is brought hereby waives the claim or defense that such party has an adequate remedy at law, and such party shall not urge in any such action or proceeding the claim or defense that such party has an adequate remedy at law.

7.02 SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Parent Corporation and each Subsidiary, whether by way of merger, consolidation, operation of law, assignment, purchase or other acquisition of substantially all of the assets or business of Odyssey, and any such successor or assign shall absolutely and unconditionally assume all of Odyssey's obligations hereunder.

7.03 NOTICES. All notices, requests and demands given to or made pursuant hereto shall, except as otherwise specified herein, be in writing and be delivered or mailed to any such party at its address:

(a) Odyssey Marine Exploration, Inc. 3604 Swann Avenue Tampa, Florida 33609.

(b) In the case of Executive shall be: At the address listed on the last page of this Agreement.

(c) Either party may, by notice hereunder, designate a changed address. Any notice, if mailed properly addressed, postage prepaid, registered or certified mail, shall be deemed dispatched on the registered date or that stamped on the certified mail receipt, and shall be deemed received within the second business day thereafter or when it is actually received, whichever is sooner.

7.04 CAPTIONS. The various headings or captions in this Agreement are for convenience only and shall not affect the meaning or interpretation of this Agreement.

7.05 GOVERNING LAW. The validity, construction and performance of this Agreement shall be governed by the laws of the State of Florida and any and every legal proceeding arising out of or in connection with this Agreement shall be brought in the appropriate courts of the State of Florida each of the parties hereby consenting to the exclusive jurisdiction of said courts for this purpose. The parties hereto expressly recognize and agree that the implementation of this Governing Law provision is essential in light of the fact that Parent Corporation's corporate headquarters and its principal executive offices are located within the State of Florida and there is a critical need for uniformity in the interpretation and enforcement of the employment agreements between Odyssey and its senior executives.

7.06 CONSTRUCTION. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

7.07 WAIVERS. No failure on the part of either party to exercise, and no delay in exercising, any right or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy granted hereby or by any related document or by law.

7.08 MODIFICATION. Any changes or amendments to this Agreement must be in writing and signed by both parties.

7.09 ENTIRE AGREEMENT. This Agreement constitutes the entire agreement and understanding between the parties hereto in reference to all the matters herein agreed upon. This Agreement replaces in full all prior employment agreements or understandings of the parties hereto, and any and all such prior agreements or understandings are hereby rescinded by mutual agreement.

IN WITNESS WHEREOF, The parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

Made effective the first day of March 2002

By: /s/ George Knutsson	*/s/ John C. Morris*
Odyssey Marine Exploration, Inc.	*John C. Morris*
By: George Knutsson	
Chairman of the Compensation Committee	
Of the Board of Directors	

EXHIBIT 10.7

AMENDED & RESTATED REGISTRATION RIGHTS AGREEMENT

AMENDED AND RESTATED
REGISTRATION RIGHTS AGREEMENT

Amended And Restated Registration Rights Agreement (this "Agreement")dated as of October 12, 2001, by and between Odyssey Marine Exploration, Inc., a Nevada corporation (the "Company"), and Macdougald Family Limited Partnership, a Nevada limited partnership (the "Purchaser").

RECITALS

WHEREAS, the Company, the Purchaser, John C. Morris, and Gregory P. Stemm entered into a Series B Convertible Preferred Shares Purchase Agreement, dated February 28, 2001 ("Stock Purchase Agreement"), pursuant to which the Purchaser purchased (a) 864,008 shares of common stock, $0.0001 par value per share of the Company ("Common Stock"), (b) 850,000 shares of the Series B Preferred Stock, par value $0.0001 per share, of the Company ("Series B Preferred Stock"), and (c) warrants (the "Warrants") to purchase an aggregate of 1,889,000 shares of Common Stock of the Company, (such Common Stock, Series B Preferred Stock, and the Warrants, together, the "Securities");

WHEREAS, the Series B Preferred Stock is convertible into, and the Warrants are exercisable for, shares of Common Stock under the terms and conditions of the Series B Preferred Stock and the Warrants, respectively; and

WHEREAS, as an inducement to enter into the Stock Purchase Agreement, and as a condition to the purchase of the Securities by the Purchasers in connection therewith, the Company and the Purchaser entered into a Registration Rights Agreement, dated February 28, 2001 (the "Registration Rights Agreement") to provide certain registration rights to the Purchaser with respect to the Securities.

WHEREAS, on the date hereof, the Company and the Purchaser are concurrently entering into an agreement to amend the Stock Purchase Agreement (the "First Amendment to Stock Purchase Agreement") pursuant to which the Purchaser will eliminate certain of its rights under the Stock Purchase Agreement;

WHEREAS, as an inducement to enter into the First Amendment Stock Purchase Agreement, and as a condition to the execution thereof by the Purchaser, the Company has agreed to amend and restate the Registration Rights Agreement to provide certain additional demand registration rights to the Purchaser with respect to the Securities as set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Definitions.

As used in this Agreement, the following capitalized terms shall have the following meanings:

"Advice" shall have the meaning set forth in Section 5.2 hereof.

"affiliate" shall have the meaning set forth in Rule 405 promulgated under the Securities Act.

"Agreement" shall have the meaning set forth in the first paragraph of this Agreement.

"Board" shall have the meaning set forth in Section 3.2(f) hereof.

"Common Stock" shall have the meaning set forth in the Recitals of this Agreement.

"Company" shall have the meaning set forth in the first paragraph of this Agreement.

"Demand Period" shall have the meaning set forth in Section 3.1 hereof.

"Demand Registration" shall have the meaning set forth in Section 3.1 hereof.

"Demand Registration Request" shall have the meaning set forth in

Section 3.2(a) hereof.

"Demand Registration Statement" shall have the meaning set forth in Section 3.2(e) hereof.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any similar law then in force.

"First Amendment to Stock Purchase Agreement" shall have the meaning set forth in the Recitals to this Agreement.

"Form S-3 Registration Statement" shall have the meaning set forth in Section 3.2(b) hereof.

"Initiating Holder" or "Initiating Holders" shall have the meaning set forth in Section 3.1 hereof.

"Interim Demand Period" shall have the meaning set forth in Section 3.2(b) hereof.

"NASD" shall mean the National Association of Securities Dealers.

"Other Holders" shall have the meaning set forth in Section 4.4 hereof.

"Person" means an individual, a partnership, an association, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department, agency or principal subdivision thereof.

"Piggyback Notice" shall have the meaning set forth in Section 4.1 hereof.

"Piggyback Registration" shall have the meaning set forth in Section 4.1 hereof.

"Piggyback Registration Statement" shall have the meaning set forth in Section 4.1 hereof.

"Prospectus" is the prospectus included in any Registration Statement, as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by such Registration Statement and by all other amendments and supplements to the prospectus, including post-effective amendments and material incorporated by reference in such prospectus.

"Purchasers" shall have the meaning set forth in the first paragraph of this Agreement.

"Registration Rights Agreement" shall have the meaning set forth in the Recitals of this Agreement.

"Registrable Securities" means, (i) shares of Common Stock issuable upon conversion of the Series B Preferred Stock issued pursuant to the Company's Articles of Incorporation, as amended, in accordance with their terms, (ii) shares of Common Stock issuable upon exercise of the Warrants, (iii) shares of Common Stock sold to the Purchaser pursuant to the Stock Purchase Agreement, (iv) any Common Stock issued or issuable with respect to the Securities by way of replacement, stock dividend, stock-split, or in connection with or combination of shares, recapitalization, or otherwise, and (v) shares of Common Stock acquired (including, without limitation, upon conversion of convertible securities, exercise of warrants, options or similar securities, or otherwise) by the Purchaser after the date hereof. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when (a) a Registration Statement with respect to the sale or transfer of such securities has been declared effective under the Securities Act, (b) such securities shall have been sold pursuant to Rule 144 (or any successor provision) under the Securities Act, or (c) they shall have ceased to be outstanding.

"Registration Statement" means any registration statement of the Company which covers any of its securities, including a prospectus, amendments and supplements to such Registration Statement, including post-effective amendments, all exhibits and all materials incorporated by reference in such Registration Statement.

"Registration Expenses" shall have the meaning set forth in Section 6.1 hereof.

"SEC" means the Securities and Exchange Commission.

"Securities" shall have the meaning set forth in the Recitals to this Agreement

"Securities Act" means the Securities Act of 1933, as amended, or any similar federal law then in force.

"Series B Preferred Stock" shall have the meaning set forth in the Recitals to this Agreement.

"Stock Purchase Agreement" shall have the meaning set forth in the Recitals of this Agreement.

"Supplemental Demand Request" shall have the meaning set forth in
Section 3.2(d) hereof.

"Warrants" shall have the meaning set forth in the Recitals to this Agreement

2. Registrable Securities; Cancellation of Prior Agreements.

2.1 Registrable Securities. The securities entitled to the benefits of this Agreement are the Registrable Securities.

2.2 Rights of Subsequent Holders. Subject to the restrictions on transferability as set forth on the legends affixed to certificates representing the Registrable Securities, any subsequent holder of Registrable Securities shall be entitled to all the benefits hereunder as a holder of such Registrable Securities.

2.3 Cancellation of Prior Agreements. All prior agreements, including the Registration Rights Agreement, between the Company and the Purchaser relating to registration under the Securities Act of any shares of the Registrable Securities are hereby terminated and superseded. The parties hereto agree that, with respect to the subject matter hereof, they shall, from and after the date hereof, exclusively rely on, and be bound by, this Agreement.

3. Demands for Registration.

3.1 Demand Registration. Commencing on the date of this Agreement and ending with the termination of this Agreement pursuant to Section 9.3 hereof ("Demand Period"), subject to the terms and conditions of this Agreement, one or more holders of the Registrable Securities may make a written request to the Company for registration under the Securities Act of all or part of their Registrable Securities ("Demand Registration"). Such holders of Registrable Securities making such a demand are sometimes referred to herein as "Initiating Holders" or individually an "Initiating Holder". A registration shall not be deemed to be a Demand Registration (i) unless a Registration Statement with respect thereto has become effective, (ii) if after it has become effective, such registration is interfered with by any stop order, injunction or other order or requirement of the Commission or other governmental agency or court for any reason not attributable to the holders of Registrable Securities participating in such registration and has not thereafter become effective, or
(iii) if the conditions to closing specified in the underwriting agreement, if any, entered into in connection with such registration are not satisfied or waived, other than by reason of a failure on the part of the Registrable Securities participating in such registration.

3.2 Demand Procedure.

(a) Subject to Section 3.2(b) hereof, during the Demand Period the Initiating Holders may deliver to the Company a written request (a "Demand Registration Request") that the Company register any or all of the Registrable Securities of such Initiating Holder(s).

(b) Holders of Registrable Securities will be entitled:
(i) up to five (5) Demand Registrations, pursuant to which the Company will be required to file a Registration Statement with the SEC on any form other than a Form S-3 ("Form S-3 Registration Statement"), and (ii) an unlimited number of

Form S-3 Registration Statements. Holders of Registrable Securities may make only one Demand Registration Request in any twelve-month period during the Demand Period (the "Interim Demand Period"). The Company shall only be required to file one Registration Statement (as distinguished from supplements or pre- effective or post-effective amendments thereto) in response to each Demand Registration Request. Notwithstanding anything to the contrary in this Section 3, the Company shall not be required to take any action to effect any such registration, qualification, or compliance pursuant to this Section 3 if in the case of a Form S-3 Registration Statement, the holders of the Registrable Securities propose to offer or sell Registrable Securities having an aggregate offering price to the public of less than $500,000.

(c) A Demand Registration Request shall (i) set forth the number of Registrable Securities intended to be sold pursuant to the Demand Registration Request, (ii) identify the Initiating Holders making the Demand Registration Request and the nature and amount of their holdings, (iii) specify the method of distribution, disclosing whether all or any portion of a distribution pursuant to such registration will be sought by means of an underwriting, and (iv) identify any underwriter or underwriters proposed for the underwritten portion, if any, of such registration.

(d) Upon the receipt by the Company of a Demand Registration Request in accordance with Section 3.2(c) hereof, the Company shall promptly give written notice of such request to all registered holders of Registrable Securities. The Company shall include in such notice information concerning whether all, part or none of the distribution is expected to be made by means of an underwriting, and, if more than one means of

distribution is contemplated, may require holders of Registrable Securities to notify the Company of the means of distribution of their Registrable Securities to be included in the registration. If any holder of Registrable Securities who is not an Initiating Holder desires to sell any Registrable Securities owned by such holder, such holder may elect to have all or any portion of its Registrable Securities included in the Registration Statement by notifying the Company in writing (a "Supplemental Demand Registration Request") within ten (10) days of receiving notice of the Demand Registration Request from the Company. The right of any holder to include all or any portion of its Registrable Securities in a Demand Registration Statement shall be conditioned upon the Company's having received a timely written request for such inclusion by way of a Demand Registration Request or Supplemental Demand Registration Request (which right shall be further conditioned to the extent provided in this Agreement). All holders proposing to distribute their Registrable Securities through an underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting.

(e) If during any Interim Demand Period, the Company receives a Demand Registration Request from an Initiating Holder satisfying the requirements of Section 3.1 and 3.2(b) of this Agreement, the Company, subject to the limitations of Section 3.2(f) and Section 5 hereof, shall prepare and file a Registration Statement with the SEC on the appropriate form to register for sale all of the Registrable Securities that holders of the Registrable Securities requested to be registered pursuant to the Demand Registration Request or in any Supplemental Demand Registration Request timely received by

the Company in accordance with Section 3(d) of this Agreement (a "Demand Registration Statement"). The Company shall use its commercially reasonable efforts (i) to cause such Registration Statement to become effective as soon as practicable and (ii) thereafter to keep it continuously effective and to prevent the happening of an event of the kind described in Section 5.1(c)(vi) hereof that requires the Company to give notice pursuant to Section 5.2 hereof, until the earlier of such time as all of the Registrable Securities included in the Registration Statement have been sold (or otherwise disposed of by the holder thereof) or one hundred eighty (180) days from the date of effectiveness of such Registration Statement.

(f) It is anticipated that the Registration Statement filed with the SEC may allow for different means of distribution, including sales by means of an underwriting as well as sales into the open market. A determination of whether all or part of the distribution will be by means of an underwriting shall be made by the Initiating Holders. If the Initiating Holders desire to distribute all or part of the Registrable Securities covered by its request by means of an underwriting, they shall so advise the Company in writing in their initial Demand Registration Request as described in Section 3.2(c) hereof. Selection of the lead managing underwriter in any underwriting made in connection with a Demand Registration Request shall be subject to approval by the Company's Board of Directors (the "Board"), which approval shall not be unreasonably withheld.

(g) In any registered offering pursuant to this Section 3 that becomes effective under the Securities Act in which a holder of Registrable Securities participates, the Company shall use its commercially reasonable efforts to keep available to such holder a Prospectus meeting the requirements of Section 10(a)(3) of the Securities Act and shall file all amendments and supplements under the Securities Act required for those purposes during the period specified in Section 3.2(e). The Company agrees to supplement or amend such Registration Statement, if required by the rules and regulations or instructions applicable to the registration form utilized by the Company, or, if applicable, the rules and regulations thereunder for shelf registrations pursuant to Rule 415 promulgated under the Securities Act, or as reasonably requested by holders of Registrable Securities covered by the Registration Statement, or any underwriter of the Registrable Securities. In any offering pursuant to this Section 3, the Company will promptly use its commercially reasonable efforts to effect such qualification and compliance as may be requested and as would permit or facilitate the distribution of the Registrable Securities, including, without limitation, appropriate qualifications under applicable blue sky or other state securities laws, appropriate compliance with any other governmental requirements and listing on a national securities exchange or inter-dealer quotation system on which the Registrable Securities are then listed.

(h) Notwithstanding any other provision of this Section 3, if the managing underwriter advises the Company in writing that in its opinion market factors require a limitation on the number of shares to be underwritten, then the number of shares of Registrable Securities that may be included in the underwriting shall be allocated among the holders in proportion (as nearly as practicable) to the respective amounts of Registrable Securities each holder otherwise sought to have registered pursuant to its Demand Registration Request or Supplemental Demand Registration Request (or in such other proportion as they shall mutually agree). Registrable Securities excluded or withdrawn from the underwriting pursuant to this Section 3.2(h) shall be withdrawn from the registration.

3.3 Priority on Demand Registration.

(a) The Company will not include in any Demand Registration any securities which are not Registrable Securities without the prior written consent of the holders of a majority of the shares of Registrable Securities included in such registration, which consent will not be unreasonably withheld. If the holders of a majority of the shares of Registrable Securities included in such registration so request or otherwise agree, the Company may, in its reasonable discretion, include in any Demand Registration securities owned by the holders of Registrable Securities which are not Registrable Securities. If the Company permits the inclusion of such securities, holders owning such securities, in addition to the costs set forth in Section 6.2, shall pay all incremental costs associated with the inclusion of such securities in the Registration Statement, including but not limited to, all increments in registration, filing fees, and NASD fees.

(b) If a Demand Registration involves an underwritten offering and the managing underwriter or underwriters shall advise the Company in

writing that, in their opinion, the total number of Registrable Securities and, as permitted hereunder, other securities requested to be included in such offering exceeds the number which can be sold in such offering without an adverse effect on the success of such offering, then the Company will include in such Demand Registration, to the extent of the number which the Company is so advised can be sold in such offering without having such an adverse effect: (i) first, prior to the inclusion of any securities which are not Registrable Securities, the number of Registrable Securities requested to be included (subject to the provisions of Section 3.2(h) hereof if all such Registrable Securities can not be included in such underwritten offering), and (ii) second, all other securities which are permitted to be included in such Registration Statement pursuant to Section 3.3(a) of this Agreement, allocated on a pro rata basis among the holders thereof based upon the total number of shares of such other securities proposed to be included in the registration. Notwithstanding any of the foregoing, securities which are not Registrable Securities shall only be included in such Demand Registration Statement to the extent that, in the opinion of the underwriters, such securities can be sold without having an adverse effect on the Company. Registrable Securities excluded or withdrawn from the underwriting in accordance with this Section 3.3(b) shall be withdrawn from the registration. If any such limitation results in Registrable Securities being excluded or withdrawn from the last Demand Registration that the Company is required to provide pursuant to Section 3.2(b) hereof, then the Company shall, at its option either (i) grant the holders of such Registrable Securities excluded or withdrawn from such registration, one additional Demand Registration hereunder with respect to such Registrable Securities not included in the offering, on the same terms and conditions as would have applied to such holders had such earlier Demand Registration not been made (except that the minimum threshold requirements referred to in Sections 3.1 and 3.2(b) hereof shall not apply) or (ii) within twenty (20) business days of the date that a demand is made for such additional Demand Registration, purchase such excluded or withdrawn Registrable Securities at the average per share closing price for such securities, as reported on the principal domestic securities exchange or inter- dealer quotation system on which such securities are then listed, for the last five trading days preceding the date of demand, but only if such securities are quoted by a principal domestic securities exchange or an inter-dealer quotation system maintained by the National Association of Securities Dealers.

4. Piggyback Registrations.

4.1 Right to Piggyback. If the Company proposes to file a Registration Statement in connection with a public offering of any of its securities (other than in connection with a Demand Registration and other than a Registration Statement on Form S-4 or Form S-8, or any comparable successor form or form substituting therefor, or filed in connection with any exchange offer or an offering of securities solely to the Company's existing shareholders) (a "Piggyback Registration Statement"), whether or not for sale for its own account, then each such time the Company shall give written notice of a proposed offering (a "Piggyback Notice") to the holders of Registrable Securities of its intention to effect such a registration at least twenty (20) days prior to the anticipated filing date of such Piggyback Registration Statement. The Piggyback Notice shall offer the holders of Registrable Securities the opportunity to include in such Piggyback Registration Statement such amount of Registrable Securities as they may request ("Piggyback Registration"). The Company will, subject to the limitations set forth in Sections 4.3 and 4.4 of this Agreement, include in such Piggyback Registration Statement (and related qualifications under blue sky laws) and the underwriting, if any, involved therein, all Registrable Securities with respect to which the Company has received a written request for inclusion therein within fifteen (15) days after receipt of the Piggyback Notice (five (5) days if the Company gives telephonic notice to all registered holders of the Registrable Securities, with written confirmation to follow promptly thereafter). Notwithstanding the above, the Company may determine, at any time, not to proceed with such Piggyback Registration Statement. Such determination, however, will be without prejudice to the rights of holders of Registrable Securities to demand the continuation of such Registration Statement under Section 3 hereof.

4.2 Underwriting Agreement. To the extent that the holders of Registrable Securities request Piggyback Registration of their Registrable Securities, the holders of Registrable Securities shall (together with the Company) enter into an underwriting agreement in customary form with the managing underwriter, if any, selected by the Company for such underwriting.

4.3 Priority on Primary Registrations. If a Piggyback Registration involves an underwritten offering and the managing underwriter or underwriters of any such proposed public offering delivers a written opinion to the Company and the holders of Registrable Securities requesting registration under this Section 4 that the total number or kind of securities which such holders and any other Persons entitled to be included in such public offering would adversely affect its ability to effect such an offering, then the Company may limit some or all the Registrable Securities and other securities that may be included in such registration and underwriting to the extent of the number or kind of securities which the Company is so advised can be sold in (or during the time of) such offering without having such an adverse effect, such that: (a) first, all securities proposed by the Company to be sold for its own account,
(b) second, the Registrable Securities requested to be included in the registration pro rata among the holders of the Registrable Securities requesting such registration, on the basis of the total number of shares of such securities that each such holder of the Registrable Securities otherwise proposed to include in the Piggyback Registration.

4.4 Priority on Secondary Registrations. If a Piggyback Registration is an underwritten secondary registration on behalf of holders of the Company's securities other than holders of Registrable Securities (the "Other Holders"), and the managing underwriter or underwriters advises the Company in writing that in their opinion the number and kind of securities

requested to be included in such registration exceeds the number that can be sold in such offering, then the Company will include in such registration (a) first, the Registrable Securities requested to be included in such registration hereunder up to that number which, in the opinion of the managing underwriter or underwriters, can be sold in such offering, and if all such Registrable Securities can not be so included, then pro rata among the holders of Registrable Securities requesting such registration on the basis of the number of shares of Registrable Securities each

holder otherwise sought to have included in the Piggyback Registration, and (b) second, the securities requested to be included therein by the Other Holders requesting such registration, up to that number which, in the opinion of the managing underwriter or underwriters, can be sold in the offering.

4.5 No Demand Registration. No registration of the Registrable Securities under this Section 4 of the Agreement shall be deemed to be a Demand Registration.

5. Registration Procedures.

5.1 Whenever the holders of Registrable Securities have requested that any Registrable Securities be registered for sale pursuant to this Agreement, whether pursuant to Section 3 or Section 4 hereof, the Company will use its commercially reasonable efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof, and pursuant thereto the Company will as expeditiously as possible:

(a) Registration Statement. (i) Prepare and file with the SEC, as soon as practicable, a Registration Statement or Registration Statements relating to the applicable registration on any appropriate form (subject to the requirements of Section 3.2(b) hereof) under the Securities Act, which form shall be available for the sale of the Registrable Securities in accordance with the intended method or methods of distribution thereof, and shall include all financial statements required by the SEC to be filed therewith; (ii) cooperate and assist in any filings required to be made with the NASD; and (iii) use its commercially reasonable efforts to cause such Registration Statement to become effective; provided, however, that before filing a Registration Statement or Prospectus or any amendments or supplements thereto, the Company will furnish to the holders whose Registrable Securities are covered by such Registration Statement and the underwriters, if any, copies of all such documents proposed to be filed, which documents will be subject to the reasonable review of such holders and underwriters, and the Company will not file any Registration Statement, or any amendment or supplement thereto (except a Piggyback Registration or any amendment or supplement thereto) to which the holders of a majority of the Registrable Securities covered by such Registration Statement, or the underwriters, if any, shall reasonably object; provided, further, however, that the Company may discontinue any registration of securities to be offered by the Company at any time prior to the effective date of the Registration Statement relating thereto.

(b) Amendments and Supplements. (i) Prepare and file with the SEC such amendments, post-effective amendments, and supplements to the Registration Statement as may be necessary to keep such Registration Statement continuously effective for the applicable period, or such shorter period which will terminate when all the Registrable Securities covered by such Registration Statement have been sold; (ii) cause the Prospectus to be supplemented by any required Prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 under the Securities Act; and (iii) comply with the provisions of the

Securities Act with respect to the disposition of all securities covered by such Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the sellers thereof set forth in such Registration Statement or supplement to the Prospectus.

(c) Notifications. Notify the holders of Registrable Securities covered thereby and the managing underwriter or underwriters, if any, promptly, and (if requested by any such Person) confirm such advice in writing:
(i) when the Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to the Registration Statement or any post- effective amendment, when the same has become effective; (ii) of any request by the SEC for amendments or supplements to the Registration Statement or the Prospectus or for additional information; (iii) of the issuance by the SEC of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose; (iv) if at any time the representations and warranties of the Company contemplated by Section 5.1(n) below cease to be true and correct; (v) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; or (vi) of the happening of any event which makes any statement made in the Registration Statement, the Prospectus, or any document incorporated therein by reference untrue or which requires the making of any changes in the Registration Statement, the Prospectus, or any document incorporated therein by reference in order to make the statements therein not misleading in light of the circumstances under which they were made.

(d) Stop-Orders and Suspensions. In the event of the issuance of a stop-order or a suspension in the sale of the Registrable Securities, make every reasonable effort to obtain the withdrawal of any order suspending the effectiveness of the Registration Statement or otherwise prohibiting the offer or sale of the Registrable Securities, including those issued by state governmental authorities, at the earliest possible moment.

(e) Distribution Disclosures. If requested by the managing underwriter or underwriters or a holder of Registrable Securities if the Registrable Securities are being sold in connection with an underwritten offering, promptly incorporate in a Prospectus supplement or post-effective amendment such information as the managing underwriter or underwriters and holders of majority of the Registrable Securities being sold reasonably agree should be included therein relating to the plan of distribution with respect to such Registrable Securities, including, without limitation, information with respect to the amount of Registrable Securities being sold to such underwriters, the purchase price being paid therefor by such underwriters, and with respect to any other terms of the underwritten (or best efforts underwritten) offering of the Registrable Securities to be sold in such offering; and make all required filings of such Prospectus supplement or post-effective amendment as soon as notified of the matters to be incorporated in such Prospectus supplement or post-effective amendment. The Company may require each of such

holders to furnish to the Company such information regarding the distribution of such Registrable Securities as the Company may from time to time reasonably request in writing.

(f) Copies of Registration Statement. Furnish to each holder of Registrable Securities which are covered by a Registration Statement pursuant to this Agreement and each managing underwriter, without charge, at least one signed or conformed copy of the Registration Statement and

any post-effective amendment thereto, including financial statements and schedules, all documents incorporated therein by reference and all exhibits (including those incorporated by reference).

(g) Copies of the Prospectus. Deliver to each holder of Registrable Securities which are covered by a Registration Statement pursuant to this Agreement and the underwriters, if any, without charge, as many copies of the Prospectus (including each preliminary prospectus) and any amendment or supplement thereto as such Persons may reasonably request; and the Company hereby consents to the use of the Prospectus or any amendment or supplement thereto by the holders of Registrable Securities and the underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by the Prospectus or any amendment or supplement thereto.

(h) Blue Sky Laws. Prior to any public offering of the Registrable Securities, use its commercially reasonable efforts to register or qualify or cooperate with holders of Registrable Securities, the underwriters, if any, and their respective counsel in connection with the registration or qualification of, such Registrable Securities for offer and sale under the securities or blue sky laws of such jurisdictions (where an exemption is not available) as such holder or underwriter reasonably requests in writing and do any and all other acts or things reasonably necessary or advisable to enable the disposition in such jurisdictions of the Registrable Securities covered by the Registration Statement; provided, however, that the Company will not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to general service of process in any jurisdiction where it is not then so subject or subject the Company to any income or sale tax in any such jurisdiction where it is not then so subject.

(i) Removal of Legends. Cooperate with the holders

of Registrable Securities and the managing underwriter or underwriters, if any, to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends; and enable such to be in such denominations and registered in such names as the managing underwriter or underwriters may request at least two business days prior to any sale of Registrable Securities to the underwriters.

(j) Other Governmental Filings. Use its reasonable best efforts to cause the Registrable Securities covered by the applicable Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the holders thereof or the underwriters, if any, to consummate the disposition of such Registrable Securities.

(k) Prospectus Amendments and Supplements. Upon the occurrence of any event contemplated by Section 5.1(c)(vi) above, prepare and promptly file a supplement or post-effective amendment to the Registration Statement or the related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Securities, the Prospectus will not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading under the circumstances in which they were made.

(l) Securities Exchange Listings. Use its reasonable best efforts to cause all Registrable Securities covered by the Registration Statement to be listed on each securities exchange or inter-dealer quotation system on which similar securities issued by the Company are then listed, if any.

(m) Delivery of Certificates. Not later than the effective date of the applicable Registration Statement, use its reasonable best efforts to provide a CUSIP number for the Registrable Securities and provide the transfer agent with printed certificates for the Registrable Securities which are in a form eligible for deposit with Depository Trust Company.

(n) Agreements and Further Actions. Enter into such customary agreements (including an underwriting agreement) and take all such other reasonable actions in connection therewith in order to facilitate the disposition of such Registrable Securities and in such connection, whether or not an underwriting agreement is entered into and whether or not the registration is an underwritten registration (i) make such representations and warranties to the holders of Registrable Securities and the underwriters, if any, in form, substance and scope as are customarily made by issuers to underwriters in similar underwritten offerings and covering matters including, without limitation, those set forth in an underwriting agreement; (ii) obtain opinions of counsel to the Company and updates thereof (which opinions (in form, scope and substance) shall be reasonably satisfactory to the managing underwriter or underwriters, if any, and not objected to by the holders of a majority of the Registrable Securities being sold), addressed to each holder selling Registrable Securities and the underwriters, if any, covering the matters customarily covered in opinions requested in underwritten offerings and such other matters as may be reasonably requested by a majority of the holders selling such Registrable Securities and the underwriters, if any; (iii) obtain "cold comfort" letters and updates thereof from the Company's independent certified public accountants addressed to the holders of Registrable Securities and the underwriters, if any, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters by accountants in

connection with primary underwritten offerings; (iv) if an underwriting agreement is entered into, the same shall set forth in full the indemnification provisions and procedures of Section 7 hereof with respect to all parties to be indemnified pursuant to such section; and (v) the Company shall deliver such documents and certificates as may be requested by the holders of a majority of the Registrable Securities being sold and the managing underwriter or underwriters, if any, to evidence compliance with Section 5.1(k) above and with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company. The above shall be done at each closing under such underwriting or similar agreement or as and to the extent required thereunder.

(o) Due Diligence Examination. Make available for inspection by the holders of a majority of the Registrable Securities being sold and any managing underwriter or underwriters participating in any disposition pursuant to such Registration Statement and any attorney or accountant retained by such underwriters, all financial and other records, pertinent corporate documents and properties of the Company, and cause the Company's officers, directors and employees to supply all information reasonably requested by any such representative, underwriter, attorney or accountant in connection with such Registration Statement.

(p) Earning Statements. Otherwise use its reasonable efforts to comply with all applicable rules and regulations of the SEC, and make generally available to its security holders, earnings statements satisfying the provision of Section 11(a) of the Securities Act no later than 45 days after the end of each 12-month period (or 90 days after the end of each 12- month period, if such period is a fiscal year end) (i) commencing at the end of any fiscal quarter in which Registrable Securities are sold to underwriters in a firm or best efforts underwritten offering; or (ii) if not sold to underwriters in such an offering, beginning with the first month of the Company's first fiscal quarter commencing after the effective date of the Registration Statement, which statements shall cover each of such 12-month periods.

(q) Incorporated Documents. Promptly prior to the filing of any document which is to be incorporated by reference into the Registration Statement or the Prospectus (after initial filing of the Registration Statement), provide copies of such document to counsel to the holders of Registrable Securities included in the Registration Statement and to the managing underwriters, if any; and make the Company's representatives available for discussion of such document, and make such changes in such document (other than exhibits thereto) prior to the filing thereof as counsel for such holders or underwriters may reasonably request.

5.2 Discontinuation of Distribution by Holders. Each holder of Registrable Securities agrees, by acquisition of such Registrable Securities that, upon receipt of any notice from the Company of the happening of any event of the kind that would require a Prospectus amendment or supplement pursuant to
Section 5.1(k) hereof, such holders will forthwith discontinue disposition of Registrable Securities until such holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 5.1(k) hereof, or until it is advised in writing (the "Advice") by the Company that the use of the Prospectus may be resumed, and has received copies of any additional or supplemental filings which are incorporated by reference in the Prospectus, and, if so directed by the Company, such holder will deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such holder's possession, of the Prospectus covering such Registrable Securities current at the time of receipt of such notice. In the event the Company shall give any such notice, the time periods regarding the maintenance of the effectiveness of any Registration Statement in Section 3.2(e) hereof and the term of this Agreement in Section 9.3 shall be extended by the number of days during the period from and including the date of the giving of such notice pursuant to Section 5.1(c)(vi) hereof to and including the date when such holder shall have received the copies of the supplemented or amended prospectus contemplated by Section 5.1(k) hereof or the Advice.

5.3 Hold-back Agreements and Other Limitations to Registration.

(a) Restrictions on Holders.

(i) Notwithstanding anything to the contrary contained herein, the Company shall be entitled to postpone for a reasonable period of time the filing of any Registration Statement under Sections 3 or 4 hereof if (A) any other Registration Statement for an offering of the Company's securities has been filed with the SEC prior to, or is anticipated to be filed within thirty (30) days from, the receipt of a Demand Registration Request, or (B) with respect to an offering of the Registrable Securities, an audit (other than the regular audit conducted by the Company at the end of its fiscal year) would be required to be conducted pursuant to the Securities Act or the rules and regulations promulgated thereunder, the form on which the Registration

Statement is to be filed, or otherwise by the SEC, or by the managing underwriter, if any, unless the holders of Registrable Securities seeking inclusion in such offering agree to pay the cost of such audit, or (C) the Board or a committee thereof determines, in its reasonable judgment, that such registration would have a material adverse effect upon the Company or interfere with any financing, merger, acquisition, sale, corporate reorganization, or other material transaction involving the Company or any of its affiliates; provided, however, that the Company shall promptly give the Initiating Holders written notice of such determination containing a general statement of the reasons for such postponement and an approximation of such delay.

(ii) With respect to an underwritten public offering of shares of Common Stock pursuant to an effective Registration Statement, each holder of Registrable Securities agrees, if requested by the managing underwriter or underwriters in an underwritten offering, not to effect any public sale or distribution of securities of the Company of the same class as the securities included in such Registration Statement, including a sale

pursuant to Rule 144 under the Securities Act (except as part of such underwritten registration), during the ten (10) day period prior to, and during the forty-five (45) day period beginning, on the closing date of each underwritten offering made pursuant to such Registration Statement, to the extent timely notified thereof in writing by the Company or the managing underwriter or underwriters; provided, however, that all officers and directors of the Company and all other holders holding 2% or more of the Company's issued and outstanding capital stock enter into similar agreements. The provisions of this Section 5.3(a)(ii) shall not apply to any holder of Registrable Securities prevented by applicable statute or regulation from entering into such agreement; provided, however, that any such holder shall undertake in its request to participate in any such underwritten offering, not to effect a public sale or distribution of any applicable class of securities commencing on the date of sale of such applicable class of the securities unless it has provided not less than forty-five (45) days' prior written notice of such sale or distribution to the underwriter or underwriters.

6. Registration Expenses.

6.1 Expenses Borne by Company. Except as specifically otherwise provided in Sections 3.3 and 6.2 hereof, the Company will be responsible for payment of all expenses incident to the Company's performance of or compliance with this Agreement and any registration hereunder, including, without limitation, all registration and filing fees, fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel for the underwriters in connection with the blue sky qualifications of the Registrable Securities as the managing underwriter or the holders of a majority of the Registrable Securities being sold may designate), fees and expenses associated with filings required to be made with the NASD, printing expenses (including expenses of printing certificates for the Registrable Securities in a form eligible for deposit with Depository Trust Company and of prospectuses), messenger and delivery expenses, and fees and disbursements of counsel for the Company and for all independent certified public accountants (including the expenses of any special audit and "cold comfort" letters required by or incident to such performance), underwriters (excluding discounts, commissions or fees of underwriters, selling brokers, dealer managers or similar securities industry professionals relating to the distribution of the Registrable Securities), Securities Act liability insurance if the Company so desires and other Persons retained by the Company in connection with such registration (all such expenses borne by the Company being herein called the "Registration Expenses").

6.2 Expenses Borne by Holders. Each holder of Registrable Securities included in such registration will be responsible for payment of brokerage discounts, commissions and other sales expenses incident to the registration of any Registrable Shares registered hereunder. In addition, holders of the Registrable Securities will be responsible for the payment of their own legal fees if they retain legal counsel separate from that of the Company. The holders of the Registrable Securities included in such registration shall be responsible for payment of their out-of-pocket expenses and the out-of-pocket expenses of any agents who manage their account. Holders of Registrable Securities included in such registration also shall be responsible for payment of any underwriting fees if such holders have requested participation of an underwriting with respect to an offering subject to Demand Registration or have elected to participate in a Piggyback Registration using their own underwriter. Any such expenses which are common to the holders of the Registrable Securities included in the registration shall be divided among such holders pro rata on the basis of the number of shares of Registrable Securities being registered on behalf of such holder, or as such holders may otherwise agree.

7. Indemnification.

7.1 Indemnification by Company. In the event of any registration of any Registrable Securities under the Securities Act, the Company hereby agrees to indemnify, to the fullest extent permitted by law, and hold harmless each seller of the Registrable Securities hereby, its officers, directors, employees, partners, agents, and each Person who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act and the rules and regulations promulgated thereunder) such holder or acts on behalf of such holder, and each other Person who participates as an underwriter in the offering or sale of such Registrable Securities, against all losses, claims, damages, liabilities and expenses (including attorneys fees) in connection with defending against any such losses, claims, damages and liabilities or in connection with any investigation or inquiry, in each case caused by or based on any untrue or alleged untrue statement of material fact contained in any Registration Statement in which such Registrable securities are registered under the Securities Act, Prospectus or preliminary prospectus contained therein, or any amendment thereof or supplement thereto, or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Company will reimburse each such indemnified person for any reasonable legal or any other expenses reasonably incurred by them or any of them in connection with investigating or defending any such claim (or action or proceeding in respect thereof); provided, that the Company shall not be liable in any such case to the extent that (i) same arises out of or is based on an untrue statement or alleged untrue statement or omission or alleged omission made in such Registration Statement, any such Prospectus or preliminary prospectus, or in any amendment or supplement thereto in reliance on and in conformity with written information furnished to the Company by such holder of Registrable Securities specifically stating that it is for use in the preparation thereof, (ii) such holder or any underwriter or selling agents failed to deliver a copy of the Prospectus or any amendments or supplements thereto to the Person asserting such loss, claim, damage, liability, or expense if the Company had furnished such holder with a reasonably sufficient number of copies of the same, or (iii) such holder has violated the provisions of Section 5.2 hereof. In connection with an underwritten offering, the Company will indemnify such underwriters, their officers and directors and each Person who controls (within the meaning of the Securities Act) such underwriters at least to the same extent as provided above

with respect to the indemnification of the holders of Registrable Securities. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of a holder or any such underwriter and shall survive the transfer of the Registrable Securities by a

holder.

7.2 Indemnification by Sellers. In connection with any Registration Statement in which a holder of Registrable Securities is participating, each such holder will furnish to the Company in writing information concerning such holder that is required by the provisions of applicable law and regulation to be included in a Registration Statement as the Company reasonably requests for use in connection with any such Registration Statement or Prospectus and, to the extent permitted by law, each such holder, jointly and severally, will indemnify the Company, its directors and officers, and each Person who controls (within the meaning of the Securities Act) the Company against any losses, claims, damages, liabilities and expenses resulting from any untrue or alleged untrue statement of material fact contained in the Registration Statement, Prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information so furnished in writing by such holder expressly for use in connection with such Registration Statement; provided, however, that the indemnity agreement contained in this Section 7.2 shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, or action if such settlement is effected without the consent of such holder, which consent shall not be unreasonably withheld or delayed; and provided, further, that, in no event shall any indemnity under this Section 7.2 exceed the net proceeds from the offering actually received by such holder.

7.3 Assumption of Defense by Indemnifying Party. Any Person entitled to indemnification hereunder will (a) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification and (b) permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party; provided, however, that any Person entitled to indemnification hereunder shall have the right to employ separate counsel and to participate in the defense of such claim, but the fees and expenses of such counsel shall be at the expense of such Person unless
(i) the indemnifying party has agreed to pay such fees or expenses, or (ii) the indemnifying party shall have failed to assume the defense of such claim and employ counsel reasonably satisfactory to such Person or (iii) in the reasonable judgment of any such Person, based upon written advice of its counsel, a conflict of interest may exist between such Person and the indemnifying party with respect to such claims (in which case, if the Person notifies the indemnifying party in writing that such Person elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such claims on behalf of such Person). If such defense is not assumed, the indemnifying party will not be subject to any liability for any settlement made without its consent (but such consent will not be unreasonably withheld). An indemnifying party which is not entitled to, or elects not to, assume the defense of a claim will not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim, in which case the indemnifying party shall pay the reasonable fees and expenses of such additional counsel or counsels. The failure of any indemnified party to provide the notice required by Section 7.3(a) above shall not relieve the indemnifing party under this Section 7, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice.

7.4 Contribution. If for any reason the indemnification provided for in Sections 7.1 and 7.2 is unavailable to an indemnified party or insufficient to hold it harmless as contemplated by Sections 7.1 and 7.2, then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the indemnified party and the indemnifying party, but also the relative fault of the indemnified party and the indemnifying party, as well as any other relevant equitable considerations. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

7.5 Binding Effect. The indemnification provided for under this Agreement will remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and will survive the transfer of securities.

8. Participation in Underwritten Registrations.

8.1 Underwriting Arrangements. No Person may participate in any Registration Statement hereunder which is underwritten unless such Person (a) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Person or Persons entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under such underwriting arrangements.

9. General Provisions.

9.1 No Inconsistent Agreements. The Company will not on or after the date hereof, without the consent of the holders of not less than two-thirds of the Registrable Securities, enter into any agreement with respect to its securities which is inconsistent with the rights granted to the holders of Registrable Securities in this Agreement, grants to any person or entity rights as to registration that all superior to are more beneficial than the rights granted hereunder, or otherwise conflicts with the provisions hereof. The rights granted to holders of Registrable Securities hereunder do not in any way conflict with any other agreement to which the Company is a party.

9.2 Remedies. All remedies under this Agreement, or by law or otherwise afforded to any party hereto, shall be cumulative and not alternative. Any Person having rights under any provision of this Agreement will be entitled to enforce such rights specifically to recover damages caused

by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or other security) for specific performance and for other injunctive relief in order to enforce or prevent violation of the provisions of this Agreement.

9.3 Term. Except as specifically otherwise provided herein, the provisions of this Agreement shall terminate upon the earlier to occur of: (i) no Registrable Securities remain outstanding, (ii) all of the Registrable Securities may be transferred, sold, or otherwise disposed of in accordance with the provisions of Rule 144(e) or 144(k) promulgated under the Securities Act, or
(iii) on the fifth anniversary of this Agreement.

9.4 Amendments and Waivers. Except as otherwise specifically provided herein, this Agreement may be amended or waived only upon the prior written consent of the Company and the holders of a majority of the then outstanding shares of Registrable Securities.

9.5 Assignment. This Agreement shall be binding upon and inure to the benefit and be enforceable by the parties hereto, and their respective successors and assigns, whether so expressed or not. In addition, whether or not any express assignment has been made, the provisions of this Agreement which are for the benefit of holders of Registrable Securities also are for the benefit of, and enforceable by, any subsequent holder of such Registrable Securities so long as, and to the extent that, such securities continue to be Registrable Securities.

9.6 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

9.7 Counterparts. This Agreement may be executed in multiple counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same Agreement.

9.8 Descriptive Headings. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

9.9 Governing Law. All questions concerning the construction, validity and interpretation of this Agreement will be governed by and construed in accordance with the domestic laws of the State of Nevada, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Nevada or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Nevada.

9.10 Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto with respect of the subject matter contained herein. This agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

9.11 Notices. All notices, demands, or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be delivered personally to the recipient, sent to the recipient by reputable express courier service (charges prepaid), mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, or by telecopy and shall be deemed to have been received at the time of personal delivery, on the next business day if delivered by express

courier, three business days after deposit in the mail, or at the time of transmission, if sent by telecopy during the recipient's business hours (or otherwise on the next business day). Such notices, demands and other communications will be sent to each holder at the address indicated on the records of the Company and to the Company at the address indicated below:

(a) If to the Company:

3604 Swann Avenue Tampa, Florida 33609 Attn: Corporate Secretary

(b) If to Stockholders:

To their respective addresses shown on the Company's records or to such other address or to the attention of such Person as the recipient party has specified by prior written notice to the sending party.

with a copy, which shall not constitute notice, to:

Richard A. Denmon, Esq.

9.12 Delays or Omissions. No failure to exercise or delay in the exercise of any right, power or remedy accruing to a holder on any breach or default of the Company under this Agreement shall impair any such right, power or remedy nor shall it be construed to be a waiver of any such breach.

9.13 Aggregation of Stock. All shares of Registrable Securities held or acquired by affiliated entities or persons shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

[Remainder of Page Intentionally Left Blank - Signatures on Next Page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

THE COMPANY:

ODYSSEY MARINE EXPLORATION, INC.,
a Nevada corporation

By: /s/ John C. Morris
John C. Morris
President and Chief Executive Officer

PURCHASER:

MACDOUGALD FAMILY LIMITED
PARTNERSHIP, a Nevada limited partnership

By: MACDOUGALD MANAGEMENT, INC.,
a Nevada corporation, General Partner

By: /s/ James E. MacDougald
James E. MacDougald,
President

Signature Page to Amended and Restated Registration Rights Agreement

EXHIBIT 10.8

ODYSSEY MARINE EXPLORATION, INC.

First Amendment
To

Series B Convertible Preferred Stock Purchase Agreement

First Amendment To Series B Convertible Preferred Stock Purchase Agreement (this "First Amendment") dated as of October 12, 2001 is entered into by and between Odyssey Marine Exploration, Inc., a Nevada corporation (the "Company"), and the Macdougald Family Limited Partnership, a Nevada limited partnership (the "Purchaser").

WHEREAS, the parties hereto and the Founders entered into a Series B Convertible Preferred Stock Purchase Agreement, dated as of February 28, 2001 (the "Series B Purchase Agreement"), pursuant to which the Company sold 864,008 shares of Common Stock, 850,000 shares of Series B Preferred Stock, and 1,889,000 Warrants to purchase Common Stock to the Purchaser;

WHEREAS, the Company and the Purchase each desire that the Purchaser convert all of the currently issued and outstanding Series B Preferred Stock pursuant to the provisions of the Series B Purchase Agreement;

WHEREAS, as an inducement and a condition to the Purchaser's conversion of the Series B Preferred Stock, the Company has agreed to grant additional registration rights to the Purchaser under the Registration Rights Agreement, dated February 28, 2001 (the "Registration Rights Agreement");

WHEREAS, concurrently with the execution of an amended and restated Registration Rights Agreement ("Amended and Restated Registration Rights Agreement") granting to the Purchaser up to five demand registration rights on registration statements other than Form S-3, the Purchaser has agreed to concurrently enter into this First Amendment to eliminate certain of its rights under the Series B Purchase Agreement;

WHEREAS, an amendment of the Series B Purchase Agreement requires the approval of the Company and the holders of at least 90% of all of the outstanding Series B Preferred Stock or, if no Series B Preferred Stock is outstanding, then by the holders of at least 90% of the Common Stock issued or issuable upon conversion of the Series B Preferred Stock (none of which have been converted as of the date hereof); and

WHEREAS, the Purchaser, as holder of all of the outstanding shares of Series B Preferred Stock, and the Company now desire to amend the Series B Purchase Agreement on the terms and conditions set forth in this First Amendment;

NOW, THEREFORE, in consideration of the foregoing, and of the mutual representations, warranties, covenants, and agreements herein contained, the parties hereto agree as follows:

1. Revised Provisions. The following amendments to the Series B Purchase Agreement shall become effective upon the later of: (i) the execution of the Amended and Restated Registration Rights Agreement by the Company and the Purchaser, and (ii) the conversion of the Series B Preferred Stock by the Purchaser:

(a) Section 8.1 of the Series B Purchase Agreement is hereby amended by deleting Section 8.1 of the Series B Purchase Agreement in its entirety.

(b) Section 8.2(c) of the Series B Purchase Agreement is hereby amended by deleting Section 8.2(c) of the Series B Purchase Agreement in its entirety.

(c) Section 8.3(c) of the Series B Purchase Agreement is hereby amended by deleting Section 8.3(c) of the Series B Purchase Agreement in its entirety.

(d) Section 8.4 of the Series B Purchase Agreement is hereby amended by deleting Section 8.4 of the Series B Purchase Agreement in its entirety.

(e) Section 8.6 of the Series B Purchase Agreement is hereby amended by deleting Section 8.6 of the Series B Purchase Agreement in its entirety.

(f) Section 8.8(b) of the Series B Purchase Agreement is hereby amended by deleting Section 8.8(b) of the Series B Purchase Agreement in its entirety.

2. Defined Terms. All terms which are capitalized but are not otherwise defined herein shall have the meaning ascribed to them in the Series B Purchase Agreement.

3. Inconsistent Provisions. All provisions of the Series B Purchase Agreement which have not been amended by this First Amendment shall remain in full force and effect. Notwithstanding the foregoing to the contrary, to the extent that there is any inconsistency between the provisions of the Series B Purchase Agreement and this First Amendment, the provisions of this First Amendment shall control and be binding.

4. Counterparts. This First Amendment may be executed in one or more counterparts, all of which taken together shall constitute a single instrument. Execution and delivery may be by facsimile transmission.

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IN WITNESS WHEREOF, each of the parties hereto has caused this First Amendment to be executed on its behalf, all as of the date first written above.

COMPANY:

ODYSSEY MARINE EXPLORATION, INC.,
a Nevada corporation

By: /s/ John C. Morris

John C. Morris,
President

PURCHASER:

MACDOUGALD FAMILY LIMITED
PARTNERSHIP, a Nevada limited partnership

By: MACDOUGALD MANAGEMENT, INC.,
a Nevada corporation, General Partner

By: /s/ James E. MacDougald

James E. MacDougald,
President

Signature Page to First Amendment to Series B Convertible Preferred Stock Purchase Agreement

EXHIBIT 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

We hereby consent to the incorporation of our report dated May 1, 2002, appearing in the Annual Report on page F-2 of Form 10-KSB of Odyssey Marine Exploration, Inc. for the year ended February 28, 2002, in the Company's Registration Statements on Form S-8, SEC File No. 333-50325 regarding the 1997 Stock Option Plan and SEC File No. 333-50343 regarding the Consulting Agreement; and in the Company's Registration Statement on Form S-3, SEC File No. 333-42842.

/s/ Ferlita, Walsh & Golzalez, P.A.

Ferlita, Walsh & Gonzalez, P.A.
3302 Azeele Street
Tampa, FL 33609

May 29, 2002