ODYSSEY MARINE EXPLORATION INC
Form PRE 14A
April 10, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

x Preliminary Proxy Statement

¨ **Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

¨ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

ODYSSEY MARINE EXPLORATION, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which this transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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Dear Fellow Stockholder:

It is an exciting time to be a part of Odyssey Marine Exploration, and I am honored to be the Chief Executive Officer at the helm. We are continuing our evolution to build on our past operational successes by focusing on enhancing stockholder value through economic success. During the past 20 years, our team has done extraordinary things in the deep ocean, from setting world records for exploration and recovery projects to solving mysteries that had confounded the world for centuries.

Odyssey started out focusing on historic shipwreck projects. We have a passion for conducting best-in-class deep-ocean archaeology and have had more success in this field than anyone else in the world. We share our exciting work through archaeological papers, traveling and virtual exhibits, television documentaries, books and media coverage. Odyssey has built an international brand synonymous with excellence in deep-ocean exploration. Five years ago we began a program to leverage our core competencies and expand into the recovery of cargo from commodity shipwrecks and mineral exploration. We now have the opportunity to build Odyssey into something much bigger than we ever could have accomplished by relying solely on historic shipwreck projects.

The commodity shipwreck projects in our portfolio, while generally under $100 million in value each, can advantageously be grouped by region to spread the expense and risk over several projects. Monetization of the cargo can generally be accomplished on a much quicker timeline than with historic shipwreck projects, as evidenced by our work on the *Gairsoppa* project, which was monetized in the same calendar year as the offshore operations.

A successful mineral project can be worth many multiples of even the most valuable shipwreck projects. While these mineral projects can take longer than a shipwreck project to reach production or outright sale of the deposit, there are opportunities to sell equity in projects at earlier stages, as we did with Oceanica. In the first year of this project, we sold $27.5 million of equity in the project at a point in time that we had only invested approximately $8 million in the venture.

Seafloor mineral exploration is where we now believe the most important and promising opportunities for Odyssey lie. I want to be clear that we are not abandoning our shipwreck roots. However, as I promised when I assumed the role of Chief Executive Officer, we have an increased focus on financial discipline aimed at reducing operating costs and more closely matching the timing of our investments to nearer term returns. To this end, we are being more selective in both the shipwreck and mineral projects we undertake in order to lower the risk profile on these projects.

Over the past few years, Odyssey has discreetly researched and analyzed many mineral deposits around the globe. Based upon these activities, we have developed a database of information relating to potential opportunities covering a variety of different minerals that may be commercially viable. One of the principal gating factors to begin harvesting these potential opportunities has been access to necessary capital and our need to remain focused on fully developing one of these deposits as the proof-of-concept to establish our credentials in this emerging field. Armed with this credibility, we believe the potential for success in the development of all subsequent seafloor mineral projects will be greatly enhanced.

The recently announced financing arrangement with strategic investor Minera del Norte S.A. de C.V. (MINOSA) and Penelope Mining LLC, its wholly owned subsidiary, has the potential to provide us with the capital necessary to begin harvesting the portfolio of deep-ocean mineral deposits that we have

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been identifying. Taking these potential opportunities from the exploration stage to fully permitted seafloor mineral extraction projects is a complicated and highly speculative endeavor. Assuming we are successful with the development of these deposits, by not selling mineral assets outright at early stage valuations, we will be able to participate in the value creation that occurs as these potential opportunities advance from early development stage through to production stage. By staying involved in these projects, we expect to have the opportunity to capture new revenue streams, initially through offshore exploration contracts targeted at gathering mining feasibility and resource assessment data, and, if the projects are successful, ultimately through fees generated from the oversight and management of extraction operations. In addition, our current projects could be a source of near-term revenue as they may require additional exploration and test mining work to be performed inside this calendar year.

As you ll see in the attached proxy, two highly-qualified individuals affiliated with MINOSA, Jim Pignatelli and John Abbott, are proposed as candidates for Odyssey s Board of Directors. Reviewing their biographies will give you a sense of why we expect that these new Board members will provide our management team with invaluable advice and insight to help grow our business.

I want to emphasize that Odyssey s management team and Board of Directors spent considerable time exploring all of the options available to the Company prior to making the decision to move forward on the transaction with MINOSA. Collectively, we believe that this transaction is the most beneficial for the Company and our stockholders. We believe it has the potential to transform Odyssey and increase stockholder value dramatically by not only providing the capital necessary to execute our current pipeline of offshore projects, but, more importantly, through the potential strategic guidance and resources that we believe will be a crucial catalyst to our future success.

As stockholders, you now have the opportunity to vote on whether you think we have made the best choice. I encourage you to review the attached proxy carefully, and if you have any questions, call the information telephone number noted. I am highly confident that this path forward is one that will permanently strengthen Odyssey so that we will stand the test of time and enjoy outstanding success as the world s premier deep-ocean exploration company.

We encourage you to vote FOR all of the proposals included in the attached proxy statement.

We appreciate your ongoing support and belief in the Odyssey team, and thank you for your trust in our stewardship of your company.

Sincerely,

Odyssey Marine Exploration, Inc.

Mark D. Gordon

President, Chief Executive Officer,
and Member of the Board of Directors

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD JUNE 9, 2015

To the Stockholders of Odyssey Marine Exploration, Inc.:

The Annual Meeting of Stockholders (the Annual Meeting) of Odyssey Marine Exploration, Inc., a Nevada corporation (the Company), will be held at the **Holiday Inn Tampa**, located at 700 North West Shore Boulevard, Tampa, Florida 33609, on Tuesday, June 9, 2015, at 9:30 a.m., Eastern Time, and at any and all adjournments thereof, for the purpose of considering and acting upon the following matters:

1. to elect seven directors to serve as members of the Company s Board of Directors for one to three-year terms, if Proposal 3(c) is approved, or, if Proposal 3(c) is not approved, for one-year terms until the next Annual Meeting or until their successors are elected;

2. to adopt and approve, for purposes of Nasdaq Listing Rule 5635, the Purchase Agreement dated March 11, 2015 (as amended, the Purchase Agreement), a copy of which is attached as Appendix A, among the Company, Minera del Norte, S.A. de C.V. (MINOSA), and Penelope Mining LLC (the Investor), including the issuance of up to 31,300,297 shares of the Company s Class AA Preferred Stock and the issuance of up to 31,300,297 shares of the Company s common stock issuable upon conversion of the Class AA Preferred Stock, in each case calculated after giving effect to the one-for-six reverse stock split contemplated by Proposal 3(b) (the Transaction Proposal);

3. to adopt an amendment to the Company s articles of incorporation (the Articles Amendment Proposal), in the form attached as Appendix B (the Certificate of Amendment), with the following sub-proposals:

   (a) a proposal to provide that the aggregate number of shares the Company is authorized to issue is 150,000,000 shares of common stock, par value $0.0001 per share, and 50,000,000 shares of preferred stock, par value $0.0001 per share (the Authorized Capitalization Proposal);

   (b) a proposal to implement a one-for-six reverse stock split whereby each six issued and outstanding shares of the Company s common stock will be combined into one share of the Company s common stock (the Reverse Split Proposal);

(c) a proposal to classify the membership of the Company s Board of Directors into three classes, as nearly equal in number as possible with one class to be elected annually for staggered three-year terms (the Classified Board Proposal);

(d) a proposal limiting the liability of the Company s directors and officers to the fullest extent permitted by Nevada law and that requires the expenses of officers and directors incurred in defending any threatened, pending, or completed action, suit, or proceeding involving alleged acts or omissions of such officer or director be paid as they are incurred (the Liability Limitation Proposal); and

(e) a proposal that allocates corporate opportunities among the Company and directors of the Company who are not officers, employees, or other members of management of the Company, and that otherwise modifies the corporate opportunity policy that previously applied to the Company under its amended and restated bylaws (the Unaffiliated Director Proposal);

4. to hold a non-binding advisory vote to approve named executive officer compensation;

5. to approve the Company s 2015 Stock Incentive Plan, as amended;

6. to ratify the appointment of Ferlita, Walsh, Gonzalez & Rodriguez, P.A. as our independent registered public accounting firm; and

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7. a proposal to grant the chairperson of the Annual Meeting the authority to adjourn or postpone the Annual Meeting, if necessary, in order to solicit additional proxies in the event that (a) there are not sufficient affirmative votes present at the Annual Meeting to adopt the proposals or (b) a quorum is not present at the Annual Meeting (the Adjournment Proposal).

These matters are described in the proxy statement accompanying this Notice. We are required to seek stockholder approval of Proposals 1 through 3 above pursuant to the terms of the Purchase Agreement and, with respect to Proposal 2 above, in order to comply with the rules and regulations of The NASDAQ Stock Market.

If Odyssey s stockholders wish to approve all the proposals contemplated by the Purchase Agreement, they must approve Proposal 1 relating to the election of directors, Proposal 2 adopting and approving the terms of the Purchase Agreement, including the issuance of the Company s Class AA Preferred Stock and common stock to the Investor, and Proposal 3 relating to the amendment to our articles of incorporation, including each of the sub-proposals.

BOARD RECOMMENDATION

YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS

VOTE **FOR** EACH OF THE ABOVE PROPOSALS

(INCLUDING EACH OF THE RELATED SUB-PROPOSALS UNDER PROPOSAL 3).

There are no dissenters or appraisal rights available to our stockholders in connection with these proposals.

Only holders of record of the Company s common stock at the close of business on April 15, 2015, will be entitled to notice of, and to vote at, the Annual Meeting or at any adjournment or adjournments thereof.

The Company has retained Okapi Partners LLC (Okapi) to act as its proxy solicitor to solicit proxies on its behalf in connection with the Annual Meeting. The cost of soliciting proxies in the enclosed form will be borne by the Company. Okapi may solicit proxies from individuals, banks, brokers, custodians, nominees, other institutional holders, and other fiduciaries.

Whether or not you expect to attend the Annual Meeting in person, we urge you to vote as soon as possible. As an alternative to voting at the Annual Meeting in person, you may vote via the Internet, by telephone or, if you receive a paper proxy card in the mail, by mailing the completed proxy card in the postage-paid envelope enclosed with it. For detailed information on how you can vote, refer to the section entitled *How do I vote?* in the Proxy Statement. The giving of a proxy will not affect your right to vote in person if you attend the Annual Meeting. You may change your proxy vote automatically by voting in person at the Annual Meeting.

BY ORDER OF THE BOARD OF
DIRECTORS
Mark D. Gordon
Chief Executive Officer, President and Board
Member
April 29, 2015

IMPORTANT NOTICE REGARDING AVAILABILITY OF PROXY MATERIALS

The Notice and Proxy Statement and Annual Report on Form 10-K are available at www.proxyvote.com.

In accordance with rules promulgated by the Securities and Exchange Commission, we have elected to use the Internet as our primary means of furnishing proxy materials to our stockholders. Therefore, most stockholders will not receive paper copies of our proxy materials. Instead, we will send these stockholders a Notice of Internet Availability of Proxy Materials with instructions for accessing the proxy materials and voting by use of the Internet. The Notice of Internet Availability of Proxy Materials also informs stockholders how to get paper copies of our proxy materials if they wish to do so. We believe this method of proxy distribution will make the proxy distribution process more efficient, less costly, and will contribute to the conservation of natural resources. If you previously elected to receive our proxy materials electronically, these materials will continue to be sent via e-mail unless you change your election.

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PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD JUNE 9, 2015

ABOUT THE MEETING

This Proxy Statement is being made available to stockholders beginning April 29, 2015.

Who is entitled to vote at the Annual Meeting?

All voting rights are vested in the holders of our common stock. Each share of our common stock is entitled to one vote on all matters to be voted upon at the Annual Meeting. Only stockholders of record at the close of business on April 15, 2015, are entitled to notice of and to vote at the Annual Meeting or any adjournments thereof. On April 15, 2015, a total of 89,582,502 shares of our common stock were outstanding and eligible to vote. Cumulative voting in the election of directors is not permitted, which means that each stockholder may vote no more than the number of shares he or she owns for a single candidate.

How many shares must be present to establish a quorum?

A majority of the shares eligible to vote represented in person or by proxy shall constitute a quorum at the Annual Meeting. Shares represented by a properly signed and returned proxy will be treated as present at the Annual Meeting for purposes of determining a quorum, without regard to whether the proxy is marked as casting a vote. Likewise, stock represented by broker non-votes will be treated as present for purposes of determining a quorum. Broker non-votes are proxies with respect to shares held in record name by brokers or nominees, as to which instructions have not been received from the beneficial owners or persons entitled to vote and the broker or nominee does not have discretionary voting power under applicable national securities exchange rules or the instrument under which it serves to vote such shares on that matter. Your broker will not have discretion to vote on non-routine matters absent direction from you, including the election of directors, the Transaction Proposal, the Articles Amendment Proposal, the advisory vote to approve our named executive officer compensation, and the approval of the Company s 2015 Stock Incentive Plan, as amended. If you hold your shares through a broker, your broker is permitted to vote your shares on routine matters, which include the ratification of the Independent Registered Public Accounting Firm and the

Adjournment Proposal, even if the broker does not receive instructions from you.

How do I vote?

Stockholders of Record: Shares Registered in Your Name

As an alternative to voting in person at the Annual Meeting, stockholders whose shares are registered in their own names may vote without attending the Annual Meeting over the Internet or by mail or telephone as described below:

VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. Eastern Time on **June 8, 2015**. Have your proxy card in hand with the 12 Digit Control Number available when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

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VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, New York 11717.

VOTE BY TELEPHONE

You can transmit your voting instructions up until 11:59 p.m. Eastern Time on June 8, 2015, by telephone following the instructions on your Proxy Card.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our Company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

Beneficial Owners: Shares Held in Street Name

If your shares are registered in the name of a bank or brokerage firm (your record holder), you will receive a notice regarding availability of proxy materials that will tell you how to access our proxy materials and provide voting instructions to your broker over the Internet. It will also tell you how to request a paper or e-mail copy of our proxy materials.

Note to Beneficial Owners: Under applicable laws, a bank, broker or nominee has the discretion to vote on routine matters, which include the Adjournment Proposal and the ratification of the Independent Registered Public Accounting Firm. Securities and Exchange Commission rules do not permit a bank, broker or nominee to vote on behalf of beneficial owners with respect to non-routine matters such as the election of directors, the Transaction Proposal, the Articles Amendment Proposal, the advisory vote to approve our named executive officer compensation, and the approval of the Company s 2015 Stock Incentive Plan, as amended. If you hold your shares in street name and do not provide voting instructions to your broker, your shares will not be voted on any proposals on which your broker does not have discretionary authority to vote. If you hold shares through a bank or brokerage firm and wish to be able to vote in person at the Annual Meeting, you must obtain a *legal proxy* from your brokerage firm, bank or other holder of record and present it to the Inspector of Elections with your ballot. Stockholders who have elected to receive the proxy materials electronically will receive an e-mail on or about May 1, 2015, with information on how to access stockholder information and instructions for voting.

TO REQUEST PAPER COPIES OF PROXY MATERIALS: *If you want to receive a paper or e-mail copy of these documents, you must request one. There is no charge to you for requesting or receiving a copy. Please make your request for a copy on or before May 26, 2015, to facilitate timely delivery. Please choose one of the following methods to make your request:* **(1) BY INTERNET: www.proxyvote.com; (2) BY TELEPHONE: 1-800-579-1639;**

(3) BY E-MAIL: sendmaterial@proxyvote.com. NOTE: *Include the 12 Digit Control Number located on the Notice in the subject line of your e-mail.*

Can I change my vote after submitting a Proxy?

You may revoke or change a previously delivered proxy at any time before the Annual Meeting by delivering another proxy with a later date, by voting again via the Internet or by telephone, or by delivering written notice of revocation of your proxy to Odyssey s corporate secretary at our principal executive offices before the beginning of the Annual Meeting. You may also revoke your proxy by attending the Annual Meeting and voting in person, although attendance at the Annual Meeting will not, in and of itself, revoke a valid proxy that was previously delivered. If you hold shares through a bank or brokerage firm, you must contact that bank or brokerage firm to revoke any prior voting instructions. You may also vote in person at the Annual Meeting if you obtain a *legal proxy* as described above.

Regardless of how your shares are held and whether or not you plan to attend the Annual Meeting, we encourage you to vote by proxy to ensure that your vote is counted. Please note that you may still attend the Annual Meeting and vote in person even if you have already voted by proxy.

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Information about attending the Annual Meeting.

If you plan to attend the Annual Meeting, please bring the following:

1. Proper identification containing recent photograph such as a driver s license or passport. We may inspect your bags or packages, and we may require you to check them, and, in some cases, we may not permit you to enter the meeting with them. Video and audio recording devices will not be permitted at the Annual Meeting.

2. *Acceptable Proof of Ownership* if your shares are held in *Street Name*.

Acceptable Proof of Ownership is (a) a letter from your broker stating that you owned Odyssey Marine Exploration, Inc. stock on the record date (**April 15, 2015**) or (b) an account statement showing that you owned Odyssey Marine Exploration, Inc. stock on the record date.

Street Name means your shares are held of record by brokers, banks or other nominees.

What is the voting requirement to approve each of the proposals?

Proposal No. 1 (*Election of Directors*) is a non-routine matter.

The election of directors requires the affirmative vote of a plurality of the votes cast by shares represented in person or by proxy and entitled to vote for the election of directors. This means that the nominees receiving the most votes from those eligible to vote will be elected. You may vote FOR all of the nominees or your vote may be WITHHELD with respect to one or more of the nominees. Accordingly, votes withheld as to the election of directors will not affect the election of the candidates receiving the plurality of votes.

Proposal 2 *(The Transaction Proposal)* is a non-routine matter.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote is required to approve this proposal. Abstentions will have the same effect as votes against this proposal because the shares are considered present at the Annual Meeting but are not affirmative votes; however, broker non-votes will not be counted towards the tabulation of votes cast and will not affect the outcome of the Transaction Proposal.

Proposal 3 (*The Articles Amendment Proposal, Including Each Sub-Proposal 3(a) Through 3(e)*) is a non-routine matter.

The affirmative vote of the holders of a majority of the shares entitled to vote is required to approve this proposal and each of the sub-proposals. Abstentions will have the same effect as votes against this proposal because the shares are

considered present at the Annual Meeting but are not affirmative votes, however, broker non-votes will not be counted towards the tabulation of votes cast and will not affect the outcome of the Articles Amendment Proposal.

Proposal 4 (*Advisory Vote on Executive Compensation*) is a non-routine matter.

The affirmative vote of the holders of a majority of the stockholders shares present in person or represented by proxy at the Annual Meeting and entitled to vote is required. Because your vote is advisory, it will not be binding on the Board or the Company; however, the Board will review the voting results and take them into consideration when making future decisions regarding executive compensation.

Proposal 5 *(Approval of the 2015 Stock Incentive Plan, as amended)* is a non-routine matter.

The affirmative vote of a majority of the votes properly cast on this proposal will be required to approve the 2015 Stock Incentive Plan, as amended. Abstentions and broker non-votes will have no effect on this proposal.

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Proposal 6 (*Ratification of Independent Registered Public Accounting Firm*) is a routine matter.

The affirmative vote of the holders of a majority of the stockholders shares present in person or represented by proxy at the Annual Meeting and entitled to vote is required. Broker discretionary voting is allowed.

Proposal 7 *(The Adjournment Proposal)* is a routine matter.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote is required to approve this proposal. Broker discretionary voting is allowed. Abstentions will not affect the outcome of the Adjournment Proposal.

Proposals 1 through 5 are *non-routine matters*, and, absent instructions from you, the bank, broker or other nominee may not vote your shares at all and your shares will be considered broker non-votes, which will have no effect on the outcome of the proposal. Proposals 6 and 7 are routine matters, and your bank, broker or other nominee may vote your shares at its discretion.

Other business as may properly come before the Annual Meeting or at any postponement or adjournments thereof.

The affirmative vote of the majority of the shares represented and entitled to vote at the Annual Meeting, assuming a quorum is present, is necessary for the approval of other business. For other business as may properly come before the Annual Meeting or at any adjournment or adjournments thereof, broker non-votes are not included in the vote totals. If you grant a proxy, the persons named as proxy-holders will have the discretion to vote your shares on any additional business properly presented for a vote at the Annual Meeting. We are not aware of any other business to be acted upon at the Annual Meeting.

Where can I find the voting results of the Annual Meeting?

The preliminary voting results will be announced at the Annual Meeting. The final voting results will be tallied by the Inspector of Elections and will be subsequently disclosed in a Form 8-K filing with the Securities and Exchange Commission (the SEC) within four business days after the Annual Meeting.

Who is soliciting proxies under this proxy statement?

The Company has retained Okapi Partners LLC (Okapi) for a fee of $6,500 plus reimbursement of out-of-pocket expenses as its proxy solicitor to solicit proxies on its behalf in connection with the Annual Meeting. The cost of soliciting proxies in the enclosed form will be borne by the Company. Okapi may solicit proxies from individuals, banks, brokers, custodians, nominees, other institutional holders, and other fiduciaries.

Whom should I call if I have any questions?

If you have any questions, or need assistance voting, please contact the Company s proxy solicitor:

Okapi Partners LLC

Stockholders Call Toll Free: (877) 259-6290

Banks and Brokers Call Collect: (212) 297-0720

Stockholders who wish to receive a separate written copy of this proxy statement, or the Company s Annual Report on Form 10-K, now or in the future, should submit their written request to the Corporate Secretary, Odyssey Marine Exploration, Inc., 5215 West Laurel Street, Tampa, Florida 33607.

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Proposal 1 - ELECTION OF DIRECTORS

The Board of Directors currently consists of seven members. The Board of Directors recommends the election as directors of the seven nominees listed below, to hold office until the next Annual Meeting and until their successors are elected and qualified or until their earlier death, resignation or removal. Except for Messrs. Abbott and Pignatelli, each of the nominees is currently a director of the Company. The persons named as Proxies in the form of Proxy will vote the shares represented by all valid returned proxies in accordance with the specifications of the stockholders returning such proxies. If at the time of the Annual Meeting any of the nominees named below should be unable to serve, which event is not expected to occur, the discretionary authority provided in the Proxy will be exercised to vote for such substitute nominee or nominees, if any, as shall be designated by the Board of Directors. Dr. Saul and Mr. Sawyer have delivered to the Company irrevocable, conditional resignations by which each of them has agreed to resign from the Board of Directors contingent upon the occurrence of the Initial Closing under the Purchase Agreement. Notwithstanding their conditional resignations, Dr. Saul and Mr. Sawyer have consented to being named as nominees for director at the Annual Meeting, and they will continue to serve as directors until their resignations are effective or until their successors are duly elected and qualified. If the Initial Closing occurs, the Company expects the Investor to designate two individuals to fill the vacancies created thereby.

In the period from the conclusion of the Annual Meeting to the Initial Closing under the Purchase Agreement, the Company anticipates that: (a) the Company s Board of Directors will form a special committee comprised of directors who are not affiliated with the Investor (the Independent Committee), (b) such Independent Committee will retain the Company s historical counsel (or other counsel of its choosing) to advise it, and (c) all actions of the Company with respect to the Purchase Agreement will be subject to the approval of the Independent Committee.

PLEASE NOTE *that brokers may not vote on the election of directors in the absence of specific client instruction. Those who hold shares in a brokerage account are encouraged to provide voting instructions to their broker.*

The table below sets forth the name and age of each nominee for director, indicating all positions and offices with the Company presently held; the period during which each person has served as a director; any additional directorships with public companies; the class which each nominee shall serve under if elected and the expiration of the term of such director, if Proposal 3(c) is approved by the Company s stockholders; and the key characteristics of each member that are critical to effective board membership.

Under Proposal 3(c), our Board of Directors is seeking the approval of an amendment to our articles of incorporation to classify the membership of the Company s Board of Directors into three classes, as nearly equal in number as possible, with one class to be elected annually for staggered three-year terms. Subject to the approval of Proposal 3(c), the terms of office of the Class I, Class II and Class III directors will expire in 2016, 2017 and 2018, respectively. If Proposal 3(c) is not approved, each nominee, if elected at the Annual Meeting, will serve as a director until the earlier of the 2016 Annual Meeting of the Company s stockholders or until his successor is duly elected and qualified.

Name	Age	Positions and Offices Held and Term as a Director	Other Directorships of Public Companies	Classification (Term Expires)
John C. Abbott	45	Nominee for Director	MeetMe, Inc.	Class III (2018)

Key Qualifications:

The board recognizes that Mr. Abbott s position as a chief financial officer, together with his prior experience as the chief executive officer of a public company and in investment banking, provide him with valuable insight regarding executive leadership, management, finance, and international business. The Board believes his background, experience, and expertise will bring valuable perspectives to the Board s discussions.

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Mark D. Gordon	55	Chief Executive Officer and President since October 2014; Director since January 2008	None	Class I (2016)

Key Qualifications: The Board recognizes that Mr. Gordon s position with the Company as CEO and President as well as his innovative entrepreneurship and the strategic planning skills gained in former CEO and president positions provide cutting-edge solutions to drive business growth and turn visionary strategies into success. He has helped guide the management team through the challenges and complexities of building a solid company; and has strategically expanded opportunities for the company, by exploring new concepts and creative solutions to issues facing the company; including funding, investor relations and communications forging lasting alliances across industry and organizational levels. His leadership, management, strategic planning, business development and investor communications activities allow him to understand the complexities of our business and bring a unique direction to the Board s strategic discussions.

Mark B. Justh	50	Director since July 2013; Chairman of the Audit Committee since June 2014	None	Class II (2017)

Key Qualifications: The Board recognizes that Mr. Justh has results-oriented experience in the investment banking industry for over ten years. He has managed equities and derivatives distribution businesses in both the United States and Asia for J.P. Morgan and worked primarily with the largest global institutional investors and hedge funds. He has significant experience in both primary and secondary equities markets for both domestic and international corporations. The Board recognizes that Mr. Justh has an in-depth knowledge of industry trends, assessing risks and financial management. His background, both domestic and international, allows him to bring a unique perspective to the Board s strategic and financial discussions.

James S. Pignatelli	71	Nominee for Director	Electro Rent Corporation	Class III (2018)

Key Qualifications: The Board recognizes that, from his prior positions as a chief executive officer and board chairman and his service on the boards of directors of other companies, Mr. Pignatelli has significant management, operations, and finance experience and expertise. The Board believes his experience, background and knowledge will be valuable assets to the Board and the Company.

David J. Saul	75	Director since October 2001	None	Class III (2018)

Key Qualifications: The Board recognizes that Dr. Saul s distinguished career as Bermuda s Premier and Minister of Finance brings to the Board and the Company valuable and extensive international board and leadership experience. His past senior posts with Fidelity Investments and his ongoing involvement with Fidelity s main international board contribute a wealth of knowledge and insight regarding government, politics, business, investments, international strategy and finance. The Board of Directors and management benefit from the knowledge and experience acquired by Dr. Saul during his long and successful business career.

Jon D. Sawyer	69	Director since November 2009	None	Class II (2017)

Key Qualifications: The Board recognizes that Mr. Sawyer s expertise in securities law, including past experience with the Securities and Exchange Commission, and extensive knowledge of the management of public companies on various issues such as financing, corporate governance, disclosure issues, executive compensation reporting, and mergers and acquisitions, provide the Board valuable insights regarding governance, government processes and law. His experience, background and knowledge are valuable assets to the Board and the Company that give him further insight into chairing the Compensation Committee.

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Gregory P. Stemm	57	Chairman of the Board since October 2014; Director since May 1994	None	Class I (2016)

Key Qualifications: The Board recognizes that Mr. Stemm has over 20 years of leadership and management experience from his past positions in the Company as CEO and on the Board as Chairman. This experience has provided him with an in-depth knowledge of the Company s business, operations, strategy and management team, as well as his historical perspective on the Company s business. Acclaimed as a pioneer in deep-ocean exploration with a broad spectrum of experience in all phases of exploration and recovery, he plays an important role in the development of tools and technology as well as setting private sector standards for underwater resource management. He is a published author on shipwrecks and underwater exploration and has participated in the discovery of hundreds of shipwrecks throughout the world. Mr. Stemm brings an extraordinary depth of knowledge and a unique expertise to the Board of Directors.

There are no family relationships among any of the directors or the executive officers of the Company.

BOARD RECOMMENDATION

THE ELECTION OF DIRECTORS IS A NON-ROUTINE MATTER, SO YOUR BROKER MAY NOT VOTE YOUR SHARES ON THIS PROPOSAL WITHOUT RECEIVING INSTRUCTIONS FROM YOU.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE **FOR** THE NOMINEES NAMED ABOVE.

DIRECTOR NOMINEES AND EXECUTIVE

OFFICERS OF THE COMPANY

The following sets forth biographical information as to the business experience of each of the Company s executive officers and nominees for director for at least the last five years.

John C. Abbott is a nominee for director. He is the Chief Financial Officer of Altos Hornos de Mexico, S.A.B de C.V. (AHMSA), parent company of MINOSA. Previously, John served as Chief Executive Officer of MeetMe, Inc. (Nasdaq: MEET), the leading U.S. social network for meeting new people. John currently serves as MeetMe s Chairman of its Board of Directors. From 1992 to 2005, John held several positions within JP Morgan s Latin America Mergers & Acquisitions team, working in both New York and Sao Paulo. John earned his A.B. from Stanford University and MBA from Harvard Business School.

Mark D. Gordon was appointed as Chief Executive Officer and President in October 2014. He has served as President and Chief Operating Officer from October 2007 to October 2014 and as a Director since January 2008. He was named Executive Vice President of Sales in January 2007, in which capacity he was responsible for the Attraction, Business Development and Retail Merchandising operations for the Company. He joined the Company in June 2005 as Director of Business Development. Prior to joining Odyssey, Mr. Gordon started, owned, and managed four different entrepreneurial ventures from 1987 to 2003, including Synergy Networks, which he founded in 1993 and served as Chief Executive Officer until September 2003, when the company was sold to the Rockefeller Group. He continued to serve as President of Rockefeller Group Technology Services Mid Atlantic (RGTSMA), a member of Rockefeller Group International, until December 2004. Mr. Gordon received a B.S. degree in Business Administration in 1982 and an M.B.A. degree in 1983 from the American University. As a shipwreck diver with the National Diving Center in Washington, D.C., he has conducted hundreds of dives and explorations on shipwrecks and was the first

person to discover and dive on the wreck of the S.S. Proteus, a ship that had been missing since the early 1900s. Mr. Gordon has been a featured guest on several prominent international television and radio programs as well as interviewed by some of the most prestigious publications in the world. Discovery Channel profiled Mr. Gordon and Odyssey in 2009 as they explored the English Channel in a 12-part documentary series called Treasure Quest.

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Mark B. Justh joined Odyssey s Board in July 2013. Mr. Justh was appointed Chairman of the Audit Committee in June 2014. Mr. Justh served as Managing Director at J.P. Morgan, Hong Kong, for over ten years. Prior to that, Mr. Justh was a Partner at HPJ Media Ventures/DeNovo Capital from 2000 to 2002, where he managed a $25 million fund that made private investments in media properties. From 1994 to 2000 he was a Vice President at Goldman Sachs International responsible for Institutional Equity Sales coverage of Switzerland and France for the U.S. equity product. Mr. Justh earned his Bachelor s degree from Princeton University, his Master s degree from New York University and his M.B.A. degree from INSEAD (France). Mr. Justh was also honorably discharged from the U.S. Army Reserve as a First Lieutenant in the Medical Service Corps.

James S. Pignatelli is a nominee for director. From July 1998 until his retirement in January 2009, Mr. Pignatelli was Chairman of the Board, Chief Executive Officer and President of Unisource Energy Corporation, an electric utility holding company, and Chairman of the Board, Chief Executive Officer and President of Tucson Electric Power Company, its principal subsidiary. Previously he served those companies as Senior Vice President and Chief Operating Officer. Mr. Pignatelli has served as a director of Electro Rent Corporation, one of the largest global organizations devoted to the rental, lease and sale of new and used electronic test and measurement equipment, since 2002 and serves on the Board of Directors of Altos Hornos de Mexico, S.A. and Blue Cross-Blue Shield of Arizona. Mr. Pignatelli holds a B.A. in accounting from Claremont Men s College and a J.D. from the University of San Diego.

Dr. David J. Saul, who is retired, has served as a member of our Board of Directors since October 2001. Dr. Saul was Bermuda s Minister of Finance from 1989 to 1995 and Premier of Bermuda from 1995 to 1997. In addition to his public service 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 approximately 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 (Bermuda s Central Bank), and until 2010 as a Director of Lombard Odier Darier Trust Ltd. (Bermuda), a subsidiary of the Swiss Bank, and until 2010 as a Director of the London Steam Ship Owners Mutual Insurance Association (Bermuda) Ltd., at which time he retired from these two boards. A keen oceanographer with a passion for shipwrecks and the sea, he was a founding Trustee of the Bermuda Underwater Exploration Institute and a founding Director of the Professional Shipwreck Explorers Association.

Jon D. Sawyer joined the Board of Directors in November 2009 and has served as chairman of the Governance and Nominating Committee from June 2010 until June 2011 and the Compensation Committee since March 2011. Mr. Sawyer opened his own securities law firm in January 2014 in Denver, Colorado. Prior to that he was a practicing securities attorney with the firm of Jin, Schauer & Saad, LLC in Denver, Colorado, where he worked since March 2009. He started his securities law career working for the Denver Regional Office of the Securities and Exchange Commission as a trial attorney for three years from 1976 to 1979. He worked the next 27 years practicing securities law in private practice, and during this time he served as securities counsel for Odyssey from 1997 to 2006. He was a partner with the Denver law firm of Krys Boyle, P.C. from November 1996 until June 2007. From June 2007 until March 2009 he was a co-owner and worked full time in various capacities including President and general counsel for Professional Recovery Systems, LLC, a privately held financial services firm engaged in the business of purchasing, selling and collecting portfolios of consumer charged-off debt.

Gregory P. Stemm was appointed as Chairman of the Board of Directors in October 2014. Previously he served as Chief Executive Officer from January 2008 to October 2014, and Chairman from 2008 to 2010. He also served as Co-Chairman from 2006 to 2008 and as a Director and Executive Vice President since May 1994. During that time he was responsible for research and operations on all shipwreck projects. Mr. Stemm has extensive experience in managing shipwreck exploration operations since entering the field in 1986, including deep-ocean search and robotic

archaeological excavation on a number of projects. A panelist at the 1998 Law of the Sea Institute, Mr. Stemm was appointed for four consecutive terms to the United States delegation to the United Nations Educational, Scientific and Cultural Organization (UNESCO) expert meeting to negotiate the Draft Convention for the Protection of Underwater Cultural Heritage. He was selected as a Fellow of the Explorers Club, and was the founder and past-president of the Professional Shipwreck Explorers Association (ProSEA). Mr. Stemm served as a founding director (1986-1993) and international president (1992-1993) of YEO (Young Entrepreneurs Organization) and was also a founding member of the World Entrepreneurs Organization, where he served on the International Board of Directors (1997-1998).

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Laura L. Barton (age 53) was appointed as Executive Vice President and Director of Communications in June 2012 and formerly served as Vice President of Communications from November 2007 to June 2012. With over 30 years of marketing, advertising, PR and media experience, Ms. Barton directs branding communications and content development for the Company. Previously, Ms. Barton served as Director of Corporate Communications and Marketing for Odyssey since July 2003. During her tenure, 17 hours of prime time television programming detailing the Company s projects were produced for PBS, National Geographic, Discovery Channel and C5, and national promotions were conducted with Walt Disney Pictures for two theatrical releases. From June 1994 to July 2003, she was President of LLB Communications, a marketing and communications consulting company that served a variety of broadcast networks, stations and distributors as well as Odyssey. She also taught as an adjunct instructor at the University of South Florida. Prior to founding LLB Communications, Ms. Barton served in various marketing, promotions, publicity and creative services positions in local and network television since 1983. Ms. Barton received a B.A. degree in Mass Communication from the University of South Florida.

Philip S. Devine (age 48) was appointed Chief Financial Officer in September 2013 and formerly served as CFO of various publicly listed companies with operations in Europe and the United States. Most recently, he worked as a financial consultant via Decofi sprl (2010-2013), and as the CFO of two biotechnology companies, MDxHealth SA (NYSE Euronext: MDXH) from 2003-2012, and Tibotec-Virco N.V. (sold to Johnson & Johnson) from 2001-2002. Earlier in his career, he worked primarily as a strategy consultant at McKinsey & Company (1994-2000) and as an auditor/CPA at Deloitte & Touche (1988-1992). Mr. Devine obtained his M.B.A. degree at INSEAD (France), his CPA license in Massachusetts, his M.S.A. degree at Bentley College, and his B.A. degree at Dartmouth College. Mr. Devine is a U.S. citizen who was born in Brazil and who has worked and lived in the United States, Europe, and Latin America. He is fluent in English, French, and Portuguese.

John D. Longley (age 48) was appointed Chief Operating Officer in October 2014. Previously, Mr. Longley served as Senior Vice President since 2012 and Director of Business Operations since 2005 when he joined the Company. With over 25 years of marketing and business strategy experience, he has been integral in growing the Company s business opportunities including its attractions, the monetization of valuable shipwreck finds and exploring new deep-ocean opportunities that utilize Odyssey s core competencies. Mr. Longley has an instrumental role in executing major marketing programs and projects at Odyssey. Following the *Gairsoppa* silver recovery operations, Mr. Longley led the program to monetize the 110 tons of shipwreck silver bullion, which constituted the world s largest precious metals recovery from a shipwreck in history. Mr. Longley also orchestrated the development of Odyssey s global distribution network for shipwreck coins and collectibles, which now reaches millions of shipwreck collectible buyers, and directs Odyssey s traveling exhibit SHIPWRECK! which has been on a tour through 13 North American cities since 2005 and continues today.

Melinda J. MacConnel (age 50) was appointed Executive Vice President, General Counsel and Secretary in June 2012 and formerly served as Vice President and General Counsel from 2008 to June 2012. She joined Odyssey in March 2006 as a Legal Consultant and became Odyssey s General Counsel in January 2007. Prior to joining the Company, Ms. MacConnel practiced law as a Litigation Consultant, providing counsel to attorneys in all areas of law. She has also served as a professor of legal research and writing and has worked as a congressional assistant for the United States House of Representatives, in Washington, D.C. Since joining Odyssey, Ms. MacConnel has been successful in negotiating several key agreements and contracts for the Company, as well as overseeing all admiralty proceedings and managing a team of international legal consultants. Ms. MacConnel graduated cum laude from St. Mary s College, Notre Dame, in 1986 with bachelor s degrees in International Government, French and Theology. In 1990, Ms. MacConnel received her J.D. degree from the University of Florida College of Law. She is a member of the Florida Bar and the Hillsborough County Bar Association and is admitted to practice before the United States District Court for the Middle District of Florida and the United States Supreme Court.

Jay A. Nudi (age 51) has served as Treasurer since June 2010 and Principal Accounting Officer of the Company since January 2006. Mr. Nudi has been with the Company since May 2005 as Corporate Controller and has over 20 years of accounting and management experience. Mr. Nudi is a certified public accountant. Prior to joining the Company, Mr. Nudi served as Controller for The Axis Group in Atlanta where he began in 2003. The Axis Group provides logistic solutions and services to the automotive industry. From 2001 to 2003, he served as a

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consultant to various companies on specific value-added tasks. From 2000 to 2001, Mr. Nudi was Director of Financial Reporting for OneSource, Inc., a leading provider of facilities management. From 1997 to 2000, he served as Corporate Controller for Acsys, Inc., a national recruiting firm that was publicly held until it was acquired in 2000. Mr. Nudi received a B.S. degree in Accounting from Pennsylvania State University in 1985.

CODE OF ETHICS

The Company has adopted a *Code of Ethics* that applies to, among others, its principal executive, financial and accounting officers, and other persons, if any, performing similar functions. Our *Code of Ethics* can be obtained from the Company, without charge, by written request to the Chief Financial Officer at the Company s address and is posted on the Company s Internet web site (http://odysseymarine.com).

CORPORATE GOVERNANCE

Board of Directors and Executive Officers

The Board of Directors held nine scheduled meetings and four executive sessions of independent directors during the fiscal year ended December 31, 2014. Each director attended at least 95% of the aggregate number of meetings held by the Board of Directors, its committees and its private sessions during the time each such Director was a member of the Board or of any committee of the Board.

Directors standing for election are expected to attend the Annual Meeting. All of the seven directors standing for election at the 2014 Annual Meeting attended that meeting.

Executive officers are chosen by the Board of Directors to hold office until the next Annual Meeting of the Company, which will be held June 9, 2015. Except as described in Proposal 2, there are no known arrangements or understandings between any director or executive officer and any other person pursuant to which any of the above-named executive officers or directors was selected as an officer or director of the Company. No event occurred during the past ten years which is material to an evaluation of the ability or integrity of any director or person nominated to be director or executive officer of the Company.

Board Leadership Structure

Chairman/Chief Executive Officer

Our Board does not have a policy regarding whether the roles of Chairman and Chief Executive Officer should be separate because our Board believes it is in the best interests of our Company to retain the flexibility to have a separate Chairman and Chief Executive Officer or, if circumstances dictate, to combine the roles of Chairman and Chief Executive Officer.

Our current leadership structure is comprised of a non-independent director serving as Chairman of the Board (Greg Stemm), an independent director serving as Lead Director (Brad Baker), a Company employee serving as Chief Executive Officer and President (Mark Gordon), and strong, active independent directors serving on and chairing our Board committees. We believe that this structure is appropriate for the Company because it allows one person, our CEO, to concentrate on the day-to-day operations of the Company and to speak for and lead the Company, while providing for effective oversight by an independent Lead Director, Chairman and Board. The Lead Director is responsible for the strategic operations of the Board and sets the agenda for and presides over Board meetings. For a company like Odyssey that is focused worldwide on deep-ocean shipwreck exploration, archaeological recovery

operations, as well as subsea mineral exploration, we believe our CEO is in the best position to lead our management team and to respond to the current pressures and needs of the company at the current stage of growth and development. Our Lead Director is in the best position to focus the Board s attention on the broader issues of corporate governance. We believe that splitting the roles of Chairman and CEO and adding an independent Lead Director maximizes the effectiveness of our management and governance processes to the benefit of our stockholders.

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Executive Sessions

Our independent directors of the Board of Directors meet regularly in executive session without employee-directors or other executive officers present. The Lead Director presides at these meetings. In 2014, the independent directors met four times.

Board Diversity

The Company understands and appreciates that a Board of Directors, consisting of individuals with diverse profiles, personal characteristics, experiences, skills, and attributes, contributes positively to corporate governance and enhancing stockholder value. While the Company has no express diversity policy in the identification of nominees for director, diversity is just one of many factors that the Board of Directors considers in identifying candidates. Further qualifications are written in the Charter and Guidelines of the Governance and Nominating Committee.

Service on Other Boards of Directors

Our Board of Directors believes that each director of the Company should be allowed to sit on the board of not more than two publicly traded for-profit companies without the prior approval of the Board of Directors. It is the position of the Board that approval of a director to sit on more than two boards simultaneously while sitting on Odyssey s Board will be limited to special circumstances, provided that the arrangement will not interfere with the director carrying out the duties to the Board of the Company. None of our Directors currently sits on the board of more than two publicly traded companies.

Independence of Board Committee Members

The Company currently has five directors, Bradford B. Baker, Max H. Cohen, Mark B. Justh, David J. Saul and Jon D. Sawyer, who are independent directors as defined in Section 5605 of the listing standards of the NASDAQ Stock Market, although Messrs. Baker and Cohen are not nominees for election at the Annual Meeting. The Board of Directors affirmatively determined, from its review of the completed Directors and Officers Questionnaires, that each of the three current independent directors nominated for election at the Annual Meeting continues to meet the standards for independence under NASDAQ Rules 5605(a)(2), 5605(d)(3), and 5605A(d), IM-5605A-6, and Rule 10A-3(b)(1)(ii)(A) under the Exchange Act and that Messrs. Abbott and Pignatelli also meet those standards.

Risk Oversight

Risk assessment and oversight is a key function of our Board of Directors. In plenary meetings of the Board, risk assessment and oversight issues are a frequent issue of discussion and action. Because of its significance, the task of risk assessment and oversight is operationally shared by Management, the Audit Committee and the Governance and Nominating Committee. Because of the small size of the Company s Board and its current operating practices, there is no separate Board committee for compliance or risk oversight.

In 2014, efforts to evaluate risk areas in terms of their likelihood of occurrence and the potential impact on the organization continued. The list of potential risks we face was reviewed, updated, and evaluated by Management, the Board of Directors and Key Employees through an Enterprise Risk Management survey process. The survey was finalized in 2014 and the results were compiled and analyzed in the first quarter 2015. A final review of the top risks was reported to the Board of Directors in March 2015.

The review of the survey results from the Company s 2014 Enterprise Risk Management Survey indicated that financial risks are the most pressing concern for the Company at this time. The Committee recommends that we review the top ten risks identified in each category and continue to monitor these risks at our regular meetings. It was also concluded that the Company s incentive compensation plans are not structured toward performance activities which would encourage risk-oriented activities by officers and key employees.

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Annual Board Self-Assessments

In the best interest of the Company and its stockholders, the Board of Directors performs an annual assessment. Each Director, the Board s function itself, and its Committees are reviewed and assessed. The 2014 self-evaluation was completed in January 2015. The results were positive, especially considering the market forces and significant changes that the Board faced in 2014. The evaluation process is helpful in measuring the overall effectiveness of the Board, each member s role and contribution to the function of the Board, and any potential areas for improvement.

The evaluation strongly suggests that all of the members possess the necessary knowledge and expertise to serve competently, and their dedication has contributed to the success of the Company. There were no performance issues raised in respect to individual Directors or Committees.

There were a few minor immaterial recommendations offered to improve the process and procedure of the overall Board s role. This year, the Board took decisive action on a number of significant issues including managing a leadership change and establishing a Special Committee and process to thoroughly analyze and negotiate a potential transformational investment and partnership transaction in the best interests of the stockholders.

Director Stock Ownership Policy

The directors adopted a Director Stock Ownership Policy in 2013 to ensure that the ongoing interest of our directors is in alignment with those of our stockholders. The policy requires each director, within five years of the applicable date, to hold an amount of our common stock valued at four times the amount of the annual retainer for the year the policy first applies to them.

Clawback Policy

The directors adopted a Clawback Policy in 2013 that applies to performance-based compensation linked to our reported financial results. Under this policy, in the event we are required to prepare an accounting restatement due to material noncompliance with any financial reporting requirement under the securities laws, we may, at the discretion of the Compensation Committee, seek to recover from any executive officer who received cash-based or equity-based incentive compensation during the three-year period preceding the date on which we are required to prepare an accounting restatement, the amount by which such person s cash-based or equity-based incentive compensation for the relevant period exceeded the lower payment that would have been made based on the restated financial results.

Committees of the Board

The standing committees of our Board of Directors are the Audit Committee, the Compensation Committee and the Governance and Nominating Committee. The table below provides current membership for each of these committees.

Director		Audit Committee	Compensation Committee	Governance and Nominating Committee
Bradford B. Baker	**(I)**	X *	X	X
Max H. Cohen	**(I)**	X	X	X **C**
David J. Saul	**(I)**	X	X	X
Jon D. Sawyer	**(I)**	X	X **C**	X

Mark B. Justh	**(I)**	X **C**	X	X
Number of meetings in 2014		**8**	**5**	**3**

Indicates: **(C)** *Chairperson* **(I)** *Independent Director* (X) *Member* (*) *Audit Committee Financial Expert*

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Governance and Nominating Committee

The Governance and Nominating Committee Charter and Guidelines was adopted in May 2006 and has been reviewed, amended and updated by the Board of Directors from time to time as necessary. The Charter and Guidelines received its annual review and was amended by the Board of Directors on March 2, 2015. While the changes are not material in nature, they provide further clarification to the Charter and Guidelines. A copy of the *Governance and Nominating Committee Charter and Guidelines* is available on our web site at (http://odysseymarine.com).

The Governance and Nominating Committee presently consists of Max H. Cohen, Chairman, Bradford B. Baker, Mark B. Justh, David J. Saul and Jon D. Sawyer. The purpose of the committee is to provide assistance to the Board of Directors in fulfilling its responsibility with respect to oversight of the appropriate and effective governance of the Company including (i) identification and recommendation of qualified candidates for election to its Board of Directors and its committees; (ii) development and recommendation of appropriate corporate governance guidelines for the Company; (iii) recommendation of appropriate policies and procedures to ensure the effective functioning of the Board of Directors; (iv) recommendations regarding the appointment of corporate officers and the adoption of appropriate processes to ensure management succession and development plans for the principal officers of the Company and its key subsidiaries; and (v) recommendations regarding proposals submitted by stockholders of the Company. During the fiscal year ended December 31, 2014, the committee held three meetings.

The nomination process for incumbent members of the Board consists of an annual review by the committee in which the committee reviews each member s (i) ability and willingness to continue service on the Board; (ii) past performance as a member of the Board; and (iii) continued Board eligibility and independence. In the event that a director vacancy arises, the committee shall seek and identify a qualified director nominee to be recommended to the Board for either appointment by the Board to serve the remainder of the term of the director position that is vacant or for election at the stockholders annual meeting. A director nominee shall meet the director qualifications as determined by the Board from time to time, including that the director nominee possesses personal and professional integrity, has good business judgment, relevant experience and skills and will be an effective director in conjunction with the full Board in collectively serving the long-term interests of the Company s stockholders. The committee uses a *Director Nomination Form* and *Corporate Director Questionnaire* to assess the background and qualification of prospective candidates.

A candidate may be nominated for appointment or election to the Board by the committee or by a stockholder who has continuously held for at least one year by the date it submits the proposal at least $2,000 market value or one percent, whichever is less, of the company s shares. Stockholders who wish to recommend persons to the committee for the 2016 Annual Meeting should submit a letter addressed to the Chairman of the Governance and Nominating Committee no later than December 31, 2015, that sets forth the name, age, and address of the person recommended for nomination; the principal occupation or employment of the person recommended for nomination; a statement that the person is willing to be nominated and will serve if elected; and a statement as to why the stockholder believes that the person should be considered for nomination for election to the Board of Directors and how the person meets the criteria to be considered by the committee described above.

In addition to fulfilling its responsibility with respect to oversight of the appropriate and effective governance of the Company, the committee also participated with management in a Risk Assessment project to assess major risk areas of our business, and to formulate response guidelines in the event of a crisis.

Audit Committee

The Audit Committee presently consists of Mark B. Justh, Chairman, Bradford B. Baker, Max H. Cohen, David J. Saul and Jon D. Sawyer, who are independent directors (as defined in Section 5605 of the listing standards of the NASDAQ Stock Market and also meet the independence standards of SEC Rule 10a-3(b)(1)). Mr. Baker serves as the Audit Committee Financial Expert. The Audit Committee assists the Board of Directors in fulfilling its responsibilities to stockholders concerning the Company s financial reporting and internal controls. It also facilitates open communication between the Audit Committee, the Board of Directors, Odyssey s independent registered public accounting firm and management. The Audit Committee is responsible for reviewing the audit process and

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evaluating and retaining the independent registered public accounting firm. The independent registered public accounting firm meets with the Audit Committee to review and discuss various matters pertaining to the audit, Odyssey s financial statements, the report of the independent registered public accounting firm on the results, scope and terms of their work, and their recommendations concerning the financial practices, controls, procedures and policies employed by Odyssey. The Audit Committee is charged with the treatment of complaints for the confidential, anonymous submission by Odyssey employees regarding potential questionable accounting or auditing matters. The Audit Committee has a written charter outlining its duties, responsibilities and practices it follows.

The Audit Committee Charter was adopted in January 2003 and has been reviewed, amended and updated by the BOD from time to time as necessary. In 2015 the Charter and the accompanying Responsibilities Checklist received its annual review and was amended by the Board of Directors on March 2, 2015. While the changes are not material in nature, they provide further clarification to the evolving oversight responsibilities described in the Charter and its Checklist. A copy of the charter and responsibilities checklist is available on the Company s web site at (http://odysseymarine.com). During the fiscal year ended December 31, 2014, the Audit Committee held eight meetings: four private executive meetings with the independent registered public accounting firm without management, and four regular Audit Committee meetings in which all aspects of its oversight role were discussed. The report of the Audit Committee is included in this Proxy Statement.

Audit Committee Financial Expert

The Board of Directors has determined that Mr. Baker is an *audit committee financial expert* as defined in Item 407(d)(5) of Regulation S-K, by virtue of the fact that, among other things, he was past Audit Committee Chair for Dobi Medical International, Inc., past Chief Executive Officer of a public company, authored a general ledger accounting software package, was the past Executive Secretary of the Resolution Trust Corporation Oversight Board (RTC) and attended numerous audit-related training seminars, and in that capacity has acquired the relevant experience and expertise and has the attributes set forth in the applicable rules in order to constitute him as an audit committee financial expert.

Compensation Committee

The Company has a standing Compensation Committee of the Board of Directors. The Compensation Committee presently consists of Jon D. Sawyer, Chairman, Bradford B. Baker, Max H. Cohen, Mark B. Justh and David J. Saul, who are independent directors (as defined in Section 5605 of the listing standards of the NASDAQ Stock Market). The Compensation Committee Charter was adopted by the Board of Directors in April 2005 and has been reviewed, amended and updated by the BOD from time to time as necessary. The Charter received its annual review and was amended by the Board on March 2, 2015. While the amendment is not material in nature, it provides clarification to the hiring and retention of compensation advisers in response to SEC Rule 10C-1. A copy of the revised charter is available on the Company s web site at (http://odysseymarine.com). The Compensation Committee reviews and recommends to the Board compensation plans, policies and benefit programs for employees including stock options, distribution of stock in any form, incentive awards and termination agreements. The Committee reviews the compensation arrangements for our executive officers and directors and makes recommendations to the Board of Directors. During the fiscal year ended December 31, 2014, this Committee held five meetings: four regular meetings and one special session. The Compensation Committee s report on 2015 executive compensation is included in this Proxy Statement.

Compensation Committee Interlocks and Insider Participation

There were no interlocks or other relationships among our executive officers and directors that are required to be disclosed under applicable executive compensation disclosure requirements.

Stockholder Communications with the Board of Directors

Stockholders wishing to contact the Board of Directors or specified members or committees of the Board should send correspondence to the Corporate Secretary, Odyssey Marine Exploration, Inc., 5215 West Laurel Street, Tampa, Florida 33607. All communications so received from stockholders of the Company will be forwarded to the members of the Board of Directors, or to a specific Board member or committee if so designated by the stockholder.

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A stockholder who wishes to communicate with a specific Board member or committee should send instructions asking that the material be forwarded to the director or to the appropriate committee chairman. All stockholders are also encouraged to communicate directly with both executive officers and directors regarding issues affecting the Company at the Annual Meeting.

Report of the Audit Committee

The Audit Committee is responsible primarily for assisting the Board in fulfilling its oversight of the quality and integrity of accounting, auditing and reporting. The role of the Audit Committee includes appointing the independent registered public accounting firm, reviewing the services performed by the Company s independent registered public accounting firm, approving and review of fees of the independent registered public accounting firm, evaluating the accounting policies and internal controls, review of Foreign Corrupt Practices Act and UK Bribery Act compliance, review of significant financial transactions, and compliance review with significant applicable legal, ethical and regulatory requirements. Although the full Board of Odyssey has the ultimate authority for effective corporate governance, including the oversight of corporate management, the Audit Committee s role also includes inquiring about significant risks, reviewing risk management, and assessing the steps management has taken to mitigate or control these risks.

Management is considered responsible for the preparation, presentation and integrity of Odyssey s consolidated financial statements, accounting and financial reporting principles, internal controls over financial reporting, and disclosure controls and procedures designed to ensure compliance with accounting standards, applicable laws and regulations. Management is responsible for objectively reviewing and evaluating the adequacy, effectiveness and quality of Odyssey s system of internal controls. The Audit Committee, in fulfilling its oversight responsibilities, reviewed with management and the independent registered public accounting firm the audited financial statements and the footnotes thereto in the Company s quarterly reports on Form 10-Q and the annual report on Form 10-K for the fiscal year ended December 31, 2014. The Committee discussed with management and the outside auditors, qualitative aspects of financial reporting in the accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements to the stockholders.

The Company s outside independent registered public accounting firm, Ferlita, Walsh, Gonzalez & Rodriguez, P.A., is responsible for performing an independent audit of Odyssey s financial statements in accordance with standards established by the Public Company Accounting Oversight Board (PCAOB) and expressing an opinion on the conformity of the Company s financial statements in accordance with generally accepted accounting principles accepted in the United States (GAAP). The Audit Committee reviewed and discussed with the independent registered public accounting firm their judgments as to the quality, not just the acceptability, of the Company s accounting principles and such other matters as are required to be discussed by the Audit Committee with the Company s independent registered public accounting firm under Statement on Auditing Standards 61, as amended (AICPA, Professional Standards Vol. 1, AU Section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The Company s independent registered public accounting firm has expressed the opinion that the Company s audited financial statements conform, in all material respects, to accounting principles generally accepted in the United States and included a going concern paragraph at the end of the unqualified audit opinion. The independent registered public accounting firm has full and free access to the Audit Committee.

The Audit Committee recognizes the importance of maintaining the independence of Odyssey s independent registered public accounting firm. The Company bans its auditors from performing non-financial consulting services, such as information technology consulting or internal audit services. The Audit Committee Chairman discussed with the Company s independent registered public accounting firm their independence from management and the Company, and received from them the written disclosures and the letter concerning the independent registered public accounting

firm s independence required by PCAOB Rule 3526 and the federal securities laws administered by the Securities and Exchange Commission.

During the fiscal year ended December 31, 2014, the Audit Committee fulfilled its duties and responsibilities as outlined in its Charter. The Audit Committee held a total of eight meetings: four private executive meetings with the independent registered public accounting firm without management, and four regular Audit Committee meetings in which all aspects of its oversight role were discussed. The Audit Committee discussed with the Company s independent registered public accounting firm the overall scope and plan of the audit. The Audit Committee met with the independent registered public accounting firm to discuss the results of their audit, their evaluations of the Company s internal controls and the overall quality of the Company s financial reporting.

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The Committee takes seriously its role as corporate watchdog. The Audit Committee has a formal policy to receive complaints from employees regarding internal controls or financial reporting matters. This Whistleblower process is communicated to both employees and consultants and is monitored by the Audit Committee. The Audit Committee has spent considerable time reviewing and monitoring controls regarding the Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act 2010.

The Audit Committee has a written charter outlining its duties, responsibilities and practices it follows. The Audit Committee Charter was adopted in January 2003 and has been reviewed, amended and updated by the BOD from time to time as necessary. In 2015 the Charter and the accompanying Responsibilities Checklist received its annual review and was amended by the Board of Directors on March 2, 2015. While the changes are not material in nature, they provide further clarification to the evolving oversight responsibilities described in the Charter and its Checklist. A copy of the charter and responsibilities checklist is available on the Company s web site at (http://odysseymarine.com).

The members of our Audit Committee are not professional accountants or auditors, and their functions are not intended to duplicate or to certify the activities of management and the independent registered public accounting firm. The Audit Committee serves a Board-level oversight role in which it provides advice, counsel, and direction to management and to the auditors on the basis of the information it receives, discussions with management and the auditors, and the experience of the Audit Committee s members in business, financial and accounting matters. The Audit Committee has the authority to engage its own outside advisers, including experts in particular areas of accounting or legal counsel, as it determines appropriate, apart from counsel or advisers hired by management in order to assist in its performance and duties. An extensive review of the Audit Committee s process was completed by an outside expert. He found no issues and complimented the Audit Committee on its functioning.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board and the Board has approved that the audited financial statements be included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2014, for filing with the Securities and Exchange Commission. The Audit Committee has ultimate authority and responsibility for selecting, compensating, evaluating, and, when appropriate, replacing Odyssey s independent registered public accounting firm. The Audit Committee selected Ferlita, Walsh, Gonzalez & Rodriguez, P.A., to serve as the Company s independent registered public accounting firm for the year ending December 31, 2015, and is presenting the selection to the stockholders for ratification. The Audit Committee and Board of Directors are recommending that stockholders ratify this selection at the Annual Meeting.

Members of the Audit Committee

Bradford B. Baker
Max H. Cohen
Mark B. Justh, Chairman
David J. Saul
Jon D. Sawyer

The report of the audit committee shall not be deemed to be soliciting material or to be filed with the Securities and Exchange Commission under the Securities Act of 1933 or the Securities Exchange Act of 1934 or incorporated by reference in any document so filed.

Report of the Compensation Committee

The Compensation Committee of the Board of Directors has reviewed and discussed with management the Compensation Discussion and Analysis required by Item 402(b) of SEC Regulation S-K. Based upon our review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion

and Analysis be included in this Proxy Statement.

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Members of the Compensation Committee

Bradford B. Baker	David J. Saul
Max H. Cohen	Jon D. Sawyer, Chairman
Mark B. Justh	

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

2014 Highlights and 2015 Outlook

Throughout 2014, via its majority-owned subsidiaries, Odyssey continued to validate and develop a seabed mineralized phosphate deposit off the coast of Mexico. Odyssey conducted numerous technical and environmental tests on the mineralized deposit, allowing the Company to publish technical reports and to submit an environmental impact assessment to the Mexican government. In addition, the Mexican government granted to Odyssey two additional tenement areas adjacent to the Company s existing mineralized phosphate tenement area. In 2015, Odyssey expects to receive a decision from the Mexican government on its environmental permit application and to conduct preparations for future commercial development of the mineralized phosphate deposit.

From April until September 2014, the Odyssey team performed an archaeological exploration and excavation of the SS *Central America* shipwreck off the coast of South Carolina under a contract with the salvor-in-possession, Recovery Limited Partnership (RLP). The SS *Central America* was carrying passengers and gold back to New York during the California gold rush era and sank during a hurricane in 1857. Using the company-owned *Odyssey Explorer* science and recovery vessel, Odyssey recovered over 15,500 gold and silver coins, 45 gold bars, a large quantity of gold nuggets and gold dust, jewelry, and various artifacts. The recovered cargo is expected to be monetized in 2015.

Despite various successful activities in 2014, such as the cargo recovery on the SS *Central America* shipwreck, technical validation of the Oceanica mineralized phosphate material, and a 28% reduction in total consolidated operating expenses compared to the previous year, the Company experienced an increased net loss and a significant decline in its share price. These business, financial, and stock market results were taken into consideration when determining the Executive Compensation for 2014. The named executive officers of 2014 received a total compensation in 2014 that was 18% lower than the total compensation paid to the named executive officers in 2013.

Odyssey expects to begin work in 2015 on the archaeological excavation of the British HMS *Victory* shipwreck once it receives the permission to do so from the UK Ministry of Defence and the UK Marine Management Organization. The HMS *Victory* sank off the coast of England in 1744 and was discovered by Odyssey in 2008. Our company-owned *Odyssey Explorer* vessel is expected to perform the work on the HMS *Victory*. In 2015 we expect to continue to develop the Don Diego project and to pursue other subsea mineral projects.

In the fourth quarter of 2014, Odyssey made certain changes to its senior management team. As part of a long-term succession plan, the co-founder of Odyssey, Greg Stemm, stepped down as CEO on September 30, 2014, and was appointed Chairman of the Board of Directors. On October 1, 2014, Mark Gordon assumed the position of CEO, John Longley was appointed COO, and Bradford Baker was appointed Lead Director. The impact of these changes on executive compensation is discussed below under CEO Transition in 2014.

Executive Summary

The Compensation Committee believes that executive compensation needs to be linked to the Company s performance and aligned with the interests of the Company s stockholders. In addition, our executive compensation is designed to enable the Company to attract and retain critical executive talent and motivate employees who play a significant role in the organization s current and future success.

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The Compensation Committee believes that long-term equity awards are effective tools for aligning management and stockholder interests in order to increase overall stockholder value. In addition, the named executive officers are often asked to implement long-term initiatives for the Company that, by definition, require more than one fiscal year to accomplish. Stability and continuity among the named executive officers aids the Company in its implementation of such long-term initiatives. However, a portion of the named executive officers annual compensation is also linked to the short-term success of the Company in order to motivate executives to achieve Company objectives and to attract and retain talented executives. The Compensation Committee decided that although management achieved some of their objectives for 2014, there would be no payout for annual incentive awards due to the Company s financial condition and the share price performance.

To ensure pay is competitive with market practices, we conduct benchmarking analyses each year that are used, in conjunction with individual performance, to set base salary, annual incentive target opportunities, and LTI target opportunities for the year. As part of our philosophy, each element of compensation is benchmarked against our current peer group. Because of our history of operating losses, we believe base salary cash compensation should be below the midpoint of the range (i.e., 50% salary range penetration) and annual performance-based incentives and long-term incentives should be at the higher end of the recommended ranges so that the total compensation package should be near the median of the peer group.

We remain focused on advancing the strategic direction of our business and motivating our executives to achieve strong business results and drive stockholder value through our executive compensation program. We do not believe our compensation policies and practices are reasonably likely to have a material adverse effect on the Company.

Oversight of Executive Compensation Plan

The Compensation Committee of our Board of Directors oversees our executive compensation program. This includes compensation paid to our Chief Executive Officer (CEO) and all other officers named in the Summary Compensation Table. Our Compensation Committee is made up of independent, non-management members of our Board of Directors. The Compensation Committee is responsible for reviewing, assessing and approving all elements of compensation for our named executive officers.

Throughout this proxy statement, the individuals who served as the Company s CEO and Chief Financial Officer (CFO) during 2014, as well as the other individuals included in the Summary Compensation Table, are referred to as the named executive officers or NEOs. The Company has entered into an employment agreement with the Company s current CEO (see CEO Transition in 2014 below for details), but has not entered into employment agreements with any of the other named executive officers.

Role of the Executive Officers in Compensation Decisions

The CEO assesses the performance of the NEOs. He then recommends to the Compensation Committee a base salary, performance-based incentives and long-term equity awards at levels for each NEO that are included in the executive compensation plan, including himself, based upon that assessment. The CFO supports the CEO and the Compensation Committee in providing appropriate analyses, peer group reviews and coordination with any outside consultants which may be retained to review the executive compensation program.

General Executive Compensation Philosophy

We have adopted a compensation program designed to attract, motivate and retain key executive employees, to drive business success and to create long-term stockholder value. We compensate our executive officers with base salary,

annual incentive compensation and long-term incentive compensation planned to be competitive in the marketplace and to align our executive officers with the financial interest of our stockholders. We have designed our compensation program to balance short-term and long-term financial objectives, to encourage building stockholder value and to reward individual and company performance. We target base salary at levels to attract and retain qualified individuals, to encourage long-term commitments and to discourage turnover of key personnel. Annual incentive compensation is paid to reward executives for Company and personal achievement. The long-term incentive component of compensation is designed to encourage our executives to think like stockholders by taking a long-term interest in the financial success of the Company and to encourage retention

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through vesting provisions of long-term incentives. We also target annual incentive awards and long-term incentive awards to be a greater part of the compensation package. Since our Company is still operating at a loss, we take into account our ability to pay as a factor when determining base or incentive compensation that is to be paid in cash. The Compensation Committee considers the use of cash and the current financial conditions of the Company when approving cash-based compensation. In certain cases it may be necessary to pay annual incentive award compensation in equity depending upon the Company s current situation. Although management achieved some of their objectives under the 2014 Annual Incentive Plan, after considering the Company s financial position and the Company s share price performance, the Compensation Committee decided that there would be no payout for the annual incentive awards for 2014.

General Stock Option or Restricted Stock Award Philosophy

Stock options and/or restricted stock are awarded to strengthen the relationship between the long-term value of our stock and potential financial incentives to our executive officers. Stock options only become valuable if the recipient continues to be employed by us and if the value of our common stock rises to a level above the option exercise price established by the Compensation Committee on the grant date of the award. Stock options or restricted stock can vest based on time or time plus performance. While our Compensation Committee can set option prices as low as the fair market value on the date of grant, we have many times in the past awarded options at a premium over fair market value as an incentive to our executive officers to strive for long-term improvement in the financial condition of our Company.

When stock options and/or restricted stock are awarded to officers as part of our long-term incentive compensation plan, the awards are to be granted as close to January 1st of each year as is reasonably practical. The awards are made as early as practical in the year so that the time associated with any performance criteria is maximized. This practice avoids market timing of the grant of options around expected news releases. For 2014, awards were granted on January 3, 2014. For 2015, the awards were granted on January 2, 2015.

Setting Executive Compensation and Market Compensation Assessment

2014 Market Assessment

For purposes of benchmarking executive compensation, for many years we used a peer group of 20 companies originally obtained in 2007 from the Bloomberg database of AMEX and NASDAQ companies with $125 - $175 million in market capitalization and under $10 million in revenue. Since 2009, we have used the Equilar executive compensation database which provides benchmarking and tracking for executive compensation, equity grants and award policies and compensation practices. Equilar products and custom research services enable us to accurately compare pay packages across our own peer group as well as thousands of public companies using SEC and exclusive survey data. In January 2014, we decided to update our peer group to reflect changes in our own company and to assure that the original peer group was still relevant. We started the update by using a list of 16 companies identified by ISS as our peers in 2013. We removed three companies from the ISS list upon determining that these companies no longer had sufficient market capitalizations. We added three new companies that are early-stage mineral and energy exploration companies to reflect our business expansion into the mineral exploration sector. In our final list of peer group companies for 2014, we retained 13 companies suggested by ISS, 7 of which were in our former peer group.

Following is a list of the 16 companies that were in the peer group we used in determining our executive compensation for 2014:

2014 Peer Group

Alexza Pharmaceuticals Inc.
BPZ Resources, Inc.
Cytori Therapeutics Inc.
CytRx Corp.
Depomed Inc.
Discovery Laboratories Inc.
Dune Energy Inc.
FX Energy Inc.
Inovio Pharmaceuticals, Inc.
Nautilus Minerals, Inc.
OncoGenex Pharmaceuticals, Inc.
Pendrell Corporation
Peregrine Pharamceuticals, Inc.
Repros Therapeutics Inc.
Sarepta Therapeutics, Inc.
Threshold Pharmaceuticals Inc.

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The characteristics of most of the above companies in the peer group, at the time the group was defined in January 2014, include market capitalization similar to the Company s, negative earnings per share, and research or exploration activities. These characteristics are indicative of companies with long-term growth prospects and market value potential. Because of unique aspects of the business and objectives, benchmarking may not always be appropriate as a stand-alone tool for setting compensation. However, we generally believe that gathering this type of information and providing it to the Compensation Committee is an important part of our executive compensation decision-making process. While the peer group companies were utilized to benchmark base salaries, they were not used for other compensation elements such as annual and long-term incentives.

CEO Transition in 2014

Incoming CEO

In its Quarterly Report on Form 10-Q for the period ended June 30, 2014, Odyssey disclosed that Mark D. Gordon, then Odyssey s President and Chief Operating Officer, would replace Gregory P. Stemm as Chief Executive Officer. On August 8, 2014, Odyssey and Mr. Gordon entered into an employment agreement providing for Mr. Gordon to assume the position of Chief Executive Officer, and Mr. Gordon assumed that position on October 1, 2014. The employment agreement is for an initial term of three years and will automatically renew for successive one-year periods unless terminated by Odyssey or Mr. Gordon upon notice given prior to the end of the initial term or any renewal term.

Pursuant to the employment agreement, Mr. Gordon will be paid a salary of not less than $350,000, subject to review at least annually. Mr. Gordon is also entitled to participate in Odyssey s performance-based annual bonus plan (which provides for a target bonus of no less than 70.0% of Mr. Gordon s salary) and Odyssey s long-term annual incentive program (which provides for a target value of no less than 125.0% of Mr. Gordon s salary). Mr. Gordon also received the following equity awards under Odyssey s 2005 Stock Incentive Plan:

- a restricted stock award of 100,000 shares of common stock that vested immediately, having a value of $1.27 per share on the date of grant; and
- a restricted stock unit representing 500,000 shares of common stock that will vest in 25.0% increments when the average closing share price of Odyssey s common stock for any 20 consecutive trading days reaches $3.50, $4.00, $4.50, and $5.00, subject to Mr. Gordon s continued employment and any unvested portion of the restricted stock unit will be forfeited five years after the date of grant.

Mr. Gordon s employment may be terminated at any time by Odyssey with or without cause (as defined in the employment agreement) or by Mr. Gordon with or without good reason (as defined in the employment agreement). If Mr. Gordon s employment is terminated by Odyssey without cause, by Mr. Gordon with good reason, or if Odyssey elects not to renew the employment agreement at the end of the initial term or any renew term, Mr. Gordon will be entitled to receive (a) his salary and earned annual bonus or long-term incentive compensation through the date of termination (the Accrued Obligations); (b) an amount equal to 200.0% of his salary and target annual incentive award for the year in which termination occurs; (c) a prorated incentive award or bonus for the year in which termination occurs; and (d) reimbursement for the monthly COBRA premium paid by Mr. Gordon for group health insurance coverage for him and his dependents. All outstanding unvested stock options and restricted stock awards (other than the initial grant described above) will become fully vested, and 50.0% of the initial grant of restricted stock will become fully vested, with the balance to vest or be forfeited in accordance with the initial award agreement.

If Mr. Gordon s employment is terminated by Odyssey with cause, by Mr. Gordon without good reason, or if Mr. Gordon elects not to renew the employment agreement at the end of the initial term or any renew term, Odyssey will have no further payment obligations to Mr. Gordon other than for the Accrued Obligations.

The employment agreement further provides for the vesting of all outstanding unvested stock options and restricted stock awards (other than the initial grant described above) upon a change-in-control, which is defined in the employment agreement to include (a) a person or group acquiring 40.0% or more of the fair market value or voting power of the Company s stock, (b) a person or group acquiring 25.0% or more of the voting power of the

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Company s stock during a twelve-month period, and (c) a majority of the members of the Company s Board of Directors is replaced by directors whose appointment or election is not endorse by a majority of the Board of Directors before the date of election or appointment. Accordingly, Mr. Gordon s outstanding unvested stock options and restricted stock awards (other than the initial grant) will vest if the Investor s ownership exceeds the threshold in clause (a) or (b) through the purchase of Class AA Preferred Stock under the Purchase Agreement. If Mr. Gordon s employment is terminated by him for good reason or by Odyssey without cause (excluding death or disability) within 24 months after a change-in-control, Mr. Gordon will be entitled to receive (w) the Accrued Obligations; (x) an amount equal to 250.0% of his salary and target annual incentive award for the year in which termination occurs; (y) a prorated incentive award or bonus for the year in which termination occurs; and (z) reimbursement for the monthly COBRA premium paid by Mr. Gordon for group health insurance coverage for him and his dependents. All outstanding unvested stock options and restricted stock awards will become fully vested, with all options being exercisable for the remainder of their full term.

Outgoing CEO

Mr. Greg Stemm stepped down as CEO effective September 30, 2014. Mr. Stemm received his base salary until September 30, 2014 and did not receive any long-term incentive awards, annual incentive awards, or severance payments in 2014 for his role as CEO. There was no accelerated vesting of outstanding options or awards due to Mr. Stemm s continuing role with the Company. Mr. Stemm was appointed Chairman of the Board of Directors effective October 1, 2014. At that time, the Board of Directors entered in to a three-month arrangement with Mr. Stemm for consulting services to include the following: working under the direction of the new CEO and with Odyssey s management team and Board to provide support and guidance on business strategies; communicating with partners and associates of the Company to facilitate smooth transition of working relationships (as directed by the CEO); and exploring and developing potential business relationships and opportunities for Odyssey related to deep-ocean exploration and recoveries including mining opportunities.

On November 11, 2014, Mr. Stemm was appointed to the Special Committee, comprised of three directors, which negotiated and worked extensively on the transaction with Penelope Mining and MINOSA which was executed on March 11, 2015. In calculating Mr. Stemm s consulting fee, the Compensation Committee and Board of Directors considered the total compensation opportunity for the current CEO and determined to pay a consulting fee to Mr. Stemm equivalent to his prior salary level since that level of compensation would be significantly lower than 65% of the current total regular annual compensation opportunity for the current CEO (which consists of a consulting base salary component and related incentive awards). Mr. Stemm s consulting compensation on an annual basis for 2014 was equal to 30% of the current CEO s 2014 total compensation and is projected to stay below 65% of the CEO s compensation opportunity for 2015.

The negotiations with Penelope Mining and MINOSA continued longer than anticipated and the Board determined to continue extending Mr. Stemm s consulting arrangement as long as the negotiations were ongoing since Mr. Stemm was actively involved in the negotiations. Once the agreement was signed the consulting arrangement was extended until June 15, 2015, which is after the stockholders will have a chance to vote on the transaction. It is expected that Mr. Stemm s future role with the Company and future compensation will be based in part upon Penelope Mining s direction and input should the transaction receive stockholder approval.

Components and Results of the 2014 Compensation Plan

Base salary

Base salary is intended to provide our executive officers with a level of assured cash compensation that is reasonably competitive in the marketplace. It is based on the individual s qualifications and experience with the Company, past performance taking into account all relevant criteria, value to the Company, the Company s ability to pay and relevant competitive market data. Because of the Company s history of operating losses, we believe base salary cash compensation should be below the midpoint of the range (i.e., 50% salary range penetration) and annual performance-based incentives and long-term incentives should be at the higher end of the recommended ranges. The base salary ranges for the CEO and CFO were established based upon the competitive and benchmarking data from the peer group whereby the average peer group base salary is aligned to the midpoint of the executive officer salary range. These NEO positions were the most common throughout our peer group analysis. This does not mean that the NEO s base salary will be in the midpoint range (as the following tables will illustrate), but the peer group analysis is used as a basis for establishing salary ranges or salary bands for each position.

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Results for 2014. Compensation ranges were established to coincide with the results of the peer group compensation analysis for the CEO and CFO. Average base salary for the peer group companies was utilized in establishing the midpoint of the executive officer salary range. The executive compensation program for 2014 utilized a similar process as in prior years to determine target ranges for executive compensation. The analysis resulted in an increase to the midpoint of the salary range of 8.6% for the CEO and 1.8% for the CFO.

All the NEOs volunteered to freeze their salaries in 2014. When Mark Gordon succeeded Greg Stemm as CEO effective October 1, 2014, Mr. Gordon received a new base salary. Mr. Stemm ceased receiving a salary on September 30, 2014, and became Chairman of the Board of Directors and a consultant as of October 1, 2014, at the same monthly amount as his previous CEO position. The tables below show the annual salary amounts for each of these individuals, even though the salaries were only paid based on a share of the approximate percent of the year they served in this position.

The following identifies the 2014 and 2013 50th percentile (midpoint) of the salary range for each NEO as of March 2014:

Name	Position	Base Salary 50th Percentile 2014	Base Salary 50th Percentile 2013
Mark D. Gordon	CEO & President (*Oct. 2014-present*)	$ 505,200	$ 465,000
	COO & President (*Jan.-Sep. 2014*)	$ 342,000	$ 315,000
Gregory P. Stemm	CEO (*Jan.-Sep 2014*)	$ 505,200	$ 465,000
Philip S. Devine	Chief Financial Officer	$ 290,300	$ 285,000
Melinda J. MacConnel	EVP General Counsel & Secretary	$ 188,400	$ 185,000
Laura L. Barton	EVP Communications	$ 173,200	$ 170,000
Jay A. Nudi	Treasurer & Principal Accounting Officer	$ 152,800	$ 150,000

Actual base salaries for the NEOs continued to remain well below the 50th percentile or midpoint of our peer group companies as follows:

Name	Position	Base Salary 2014	2013 Salary Range Penetration[1]
Mark D. Gordon	CEO & President (*Oct. 2014-present*)	$ 350,000	0%[2]
	COO & President (*Jan.-Sep. 2014*)	$ 295,000	31%
Gregory P. Stemm	Chief Executive Officer (*Jan.-Sep 2014*)	$ 425,000	23%
Philip S. Devine	Chief Financial Officer	$ 260,000	27%
Melinda J. MacConnel	EVP General Counsel & Secretary	$ 165,000	24%
Laura L. Barton	EVP Communications	$ 157,000	28%
Jay A. Nudi	Treasurer & Principal Accounting Officer	$ 154,000	31%

1 The salary range penetration represents where the NEO base salary is relative to the four quartiles with the midpoint representing the 50th percentile.

2 Mr. Gordon s Salary Range Penetration is below the lowest base CEO salary in the peer group.

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Annual Incentive Compensation and Targets

Annual incentive compensation is intended to provide a component of total cash compensation that represents an award for meeting corporate key objectives and achievement of individual strategic objectives. Annual incentive compensation is expressed as target amounts that can be earned as a percentage of base salary. The amount of these targets is based on the individual s qualifications and experience with the Company, past performance of duties, value to the Company, and the Company s ability to pay. For NEOs the annual incentive targets are weighted 75% toward the ability to meet key performance indicators of the Company and 25% toward attainment of individual strategic objectives. An executive s individual strategic objectives are defined based upon the contribution such executive s role and expertise can bring to achieving the Company s overall strategic objectives. The individual strategic objectives are reviewed by the Compensation Committee.

Attainment of Company key performance indicators, which comprise 75% of the annual incentive awards for all NEOs are based upon three separate categories which include revenue, earnings per share and overall cash flow. Within each category several performance threshold targets were established whereby ranges of target incentives could be achieved as noted below. Target incentives for revenue ranged from 0% to 60%, while target incentives for earnings per share (EPS) and cash flow ranged from 0% to 40%. In order to achieve the upper range percentages of target incentives, significant stretch performance levels would need to be achieved. For example in 2014, to achieve 60% of target incentive, revenue would need to be greater than $20 million; to achieve 40% of target incentive, earnings per share would need to be positive or net cash flow and cash flow from operations would need to be greater than budget. While the sum of the various key performance indicator categories could reach 140%, the intent was that NEOs could achieve at or near target incentives by achieving stretch performance levels in only several categories or above average levels for all three categories.

The following table illustrates the key performance indicators for 2014:

Revenue (up to 60%)	
1) less than $0.1 million	0%
2) $0.1 - $5 million	1% - 10%
3) $5 - $10 million	11% - 25%
4) $10 - $20 million	26% - 40%
5) greater than $20 million	41% - 60%
Cash Flow (CF) (up to 40%)	
1) worse than $30 million net negative CF	0%
2) better than $30 million net negative CF	1% - 20%
3) better than $16 million operating and net negative CF	21% - 40%

EPS (up to 40%)	
1) EPS worse than -$0.30 per share	0%
2) between -$0.30 EPS and -$.13 EPS	1% - 10%
3) better than -$.13 EPS	11% - 25%
4) positive EPS	25% - 40%

While it is intended that the Compensation Committee will follow the incentive award guidelines, the Committee has the discretion to increase or decrease the amounts based upon extenuating or unforeseen circumstances, or to deny

annual incentive awards whether or not performance targets are achieved, as it deems appropriate. The attainment of individual strategic objectives is evaluated by the Compensation Committee. The overall annual incentive award is determined following a review of the performance of each NEO relative to the individual strategic objectives and the attainment of the Company s key performance indicators. There is no maximum amount established and the incentive awards are at the discretion of the Compensation Committee.

The Compensation Committee evaluates the Company s performance with the assistance of the CFO and evaluates the individual performance for all officers based upon input provided by the NEOs and the CEO. Based upon review of these factors, the Compensation Committee is provided with recommendations and determines the annual incentive amounts.

Achievement of Performance Indicators and Annual Award Payouts in 2014. For 2014, all NEOs qualified for 32.85% of the target award, which was comprised of 7.85% for company key performance indicators and 25% for individual strategic objectives. The key performance criteria achieved in 2014 was overall revenue which was allotted a 2.6% performance weight because actual revenue was within the range of $0.1 - $5 million per category 2 under revenue performance indicators (actual $1.3 million). Earnings per share (EPS) was allocated a 0% performance weight because actual EPS was below the target within category 1 under EPS performance factors.

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Cash Flow was allotted a 7.9% performance weight having scored within category 2 of the Cash Flow performance factors having been better than the budgeted net cash outflow of $30 million (actual $18.2 million net cash outflow). The total of the performance factor weighting was 10.47%, but since it represented only 75% of the annual incentive target for the NEOs, the overall target annual incentive percentage earned for Company performance criteria was 7.85%.

Until 2014, the Compensation Committee has consistently followed the annual incentive compensation results that are based upon the actual key performance indicators which are part of the executive compensation plan. Upon consideration of the Company s stock price performance in 2014 and the Company s financial position at year-end 2014, the Board of Directors, as recommended by the Compensation Committee, decided NEOs would receive no annual incentive compensation for 2014.

The following table identifies the target award as a percentage of base salary for each NEO in accordance with the executive compensation plan, the weighting between Company and individual performance, and the actual incentive award payout based upon the recommendation of the Compensation Committee. Mark Gordon was appointed as Chief Executive Officer on October 1, 2014, with the same annual incentive program as the out-going Chief Executive Officer, Gregory Stemm.

Name	Position	Target Award as % Salary	Company/ Individual Performance Weighting	Target 2014 Incentive Award Per Plan	Actual Incentive Award Payout	Incentive Payout as % Base Salary
Gregory P. Stemm[1]	Ex-Chief Executive Officer	70% - 100%	75%/25%	$ 340,000	$ 0	0%
Mark D. Gordon[2]	President and Chief Executive Officer	70% - 100%	75%/25%	$ 280,000	$ 0	0%
Philip S. Devine	Chief Financial Officer	60% - 80%	75%/25%	$ 182,000	$ 0	0%
Melinda J. MacConnel	EVP General Counsel & Secretary	50% - 70%	75%/25%	$ 99,000	$ 0	0%
Laura L. Barton	EVP Communications	50% - 70%	75%/25%	$ 94,200	$ 0	0%
Jay A. Nudi	Treasurer & Principal Accounting Officer	50% - 70%	75%/25%	$ 92,400	$ 0	0%

(1) Chief Executive Officer from January 1 September 30, 2014.
(2) President and Chief Operating Officer from January 1 September 30, 2014, Chief Executive Officer and President from October 1, 2014 to present. Table reflects CEO target, award, and salary amounts.

Long Term Incentive Targets and Awards

Long-Term Incentive Awards for 2014. Long-term incentive targets are intended to provide an equity component of total compensation in the form of stock options and/or restricted stock that vest based on time, performance or both. The value of these targets is set by the Compensation Committee based on the individual s qualifications and experience with the Company, past performance of duties and value to the Company. On January 3, 2014, when the closing price of our stock was $2.06, the Board of Directors, as recommended by the Compensation Committee

approved grants of stock options with a ten-year term and three-year service vesting, with an exercise price of $2.20 per share, and restricted stock awards with three-year service vesting, to the following NEOs:

		2014 Long Term Incentive Awards	
Name	**Position**	**Stock Options**	**Restricted Stock**
Gregory P. Stemm[1]	Ex-Chief Executive Officer	0	0
Mark D. Gordon[2]	President and Chief Executive Officer	255,930	92,188
Philip S. Devine	Chief Financial Officer	155,057	91,250
Melinda J. MacConnel	EVP General Counsel & Secretary	78,721	41,250
Laura L. Barton	EVP Communications	154,905	39,250
Jay A. Nudi	Treasurer & Principal Accounting Officer	73,473	38,500

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(1) Mr. Stemm served as Chief Executive Officer from January 1 September 30, 2014.
(2) Mr. Gordon served as President and Chief Operating Officer from January 1 September 30, 2014 and Chief Executive Officer and President from October 1, 2014 to present. Table reflects the annual grant of Long-Term Incentive Awards and excludes awards received by Mr. Gordon associated with his transition to the role of CEO.

The long-term incentive stock option awards are valued based upon the Black-Scholes valuation model on the date of grant. The restricted stock awards are valued based upon the stock price on the date of grant.

The following table includes the target long-term incentive award expressed as a percentage of base salary range and the actual long-term incentive awarded on January 3, 2014, as a percentage of base salary in effect at the date of the award.

Name	Position	Target Long-Term Incentive Award as % of Base Salary	Actual Long-Term Incentive Award as a % of 2014 Base Salary
Gregory P. Stemm[1]	Ex-Chief Executive Officer	125% - 150%	0%
Mark D. Gordon[2]	President and Chief Executive Officer	100% - 125%	179%
Philip S. Devine	Chief Financial Officer	100% - 125%	150%
Melinda J. MacConnel	EVP General Counsel & Secretary	75% - 100%	114%
Laura L. Barton	EVP Communications	75% - 100%	182%
Jay A. Nudi	Treasurer & Principal Accounting Officer	75% - 100%	114%

(1) Mr. Stemm served as Chief Executive Officer from January 1 September 30, 2014.
(2) Mr. Gordon served as President and Chief Operating Officer from January 1 September 30, 2014, Chief Executive Officer and President from October 1, 2014 to present. Table reflects CEO annual Long-Term Incentive target and award amounts and excludes awards received by Mr. Gordon associated with his transition to the role of CEO. The long-term incentive award made January 3, 2014, was based on the base salary and target range at the date of the award.

The Board of Directors awarded long-term incentive awards in 2014 that as a percentage of base salary exceeded the target range of the long-term incentive plan in that year upon considering numerous factors such as the desire to retain and motivate certain managers, the fact that salaries were being kept unchanged for 2014, and the fact that the CEO position was not awarded any long-term incentives at the award date of January 3, 2014.

Retirement Plans and All Other Compensation

We do not have any deferred compensation or retirement plans at this time. During 2014, we did not pay perquisites exceeding $10,000 in the aggregate to our Chief Executive Officer or other NEOs. Our officers participated in non-discriminatory life and health insurance plans as did all other employees.

On September 30, 2014, Mr. Greg Stemm stepped down as CEO. Since October 1, 2014, Mr. Stemm has been paid $35,417 per month for consulting services provided to the Company and as Chairman of the Board of Directors, plus the Company pays or reimburses Mr. Stemm for the premium amount of his COBRA insurance. This consulting arrangement with Mr. Stemm has been extended until June 15, 2015.

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The Role of the Stockholder Advisory Vote

At our annual meeting in 2011, our stockholders cast an advisory vote of 90% in favor of holding an annual advisory vote on our executive officer compensation. In 2012, 2013 and 2014, our stockholders cast an advisory vote of 97.2%, 97.8% and 95.2%, respectively, in support of the compensation of our NEOs set forth in the CD&A, the summary compensation table and related compensation tables and narratives in last year s proxy statement. Our Compensation Committee took the results of the favorable advisory vote of our stockholders into account as a factor in maintaining the current structure of our executive compensation program.

At the Annual Meeting in 2015, our stockholders will again be provided the opportunity to cast an advisory vote to approve the compensation of our named executive officers. This vote is set forth in Proposal 4 in this proxy statement. Although this Say-on-Pay stockholder vote is non-binding, the Compensation Committee, as it did last year, will consider the outcome of the vote when making future compensation decisions regarding our named executive officers.

Summary of 2015 Executive Compensation Program

Because our 2012 and 2013 executive compensation plans received widespread support from our stockholders at our annual meetings in 2013 and 2014, we did not make any material changes to the 2015 executive compensation plan. The 2015 plan utilizes a similar process as in 2013 and 2014 to determine target ranges for executive compensation. However, we have updated the peer group of companies used to benchmark base salaries. Based on the peer group analysis, the NEOs could have been awarded salary increases for 2015; however, given the share price performance of the Company in recent months and the Company s financial position at year-end 2014, the NEOs volunteered to have their salaries remain unchanged for 2015. Except for the new NEO position in 2014, the salaries of the NEOs have remained unchanged for two consecutive years since the NEOs volunteered to have their salaries also remain unchanged in 2014. While the Compensation Committee accepted the proposal of the NEOs concerning their salaries for 2014 and 2015, the Committee also noted that the NEOs had worked exceedingly hard in achieving many key objectives of the Company in both years. The base salary for 2015 for each NEO is as follows:

		Base Salary (effective 1-1-15)		
Name	**Position**		**2015**	**% Change from 2014**
Mark D. Gordon[1]	President and Chief Executive Officer	$	350,000	0%
Philip S. Devine	Chief Financial Officer	$	260,000	0%
Melinda J. MacConnel	EVP General Counsel & Secretary	$	165,000	0%
Laura L. Barton	EVP Communications	$	157,000	0%
Jay A. Nudi	Treasurer & Principal Accounting Officer	$	154,000	0%

(1) Mark Gordon assumed the position of CEO on October 1, 2014 and at that date received a base salary increase of 19% compared to his previous COO position base salary of $295,000. Mr. Gordon s current CEO base salary is 21% lower than the $425,000 base salary of the previous CEO.

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The Board of Directors, as recommended by the Compensation Committee on January 2, 2015, approved grants of stock options with a ten-year term and three-year service vesting, and an exercise price of $1.04 per share, and restricted stock units with three-year service vesting, and performance-based restricted stock units (PRSUs) to the following NEOs:

		2015 Long Term Incentive Awards		
Name	**Position**	**Stock Options**	**Restricted Stock Units**	**Performance Restricted Stock Units**
Mark D. Gordon	Chief Executive Officer and President	472,000	137,700	15,200
John D. Longley	Chief Operating Officer	215,000	62,100	6,900
Philip S. Devine	Chief Financial Officer	320,000	91,800	10,200
Melinda J. MacConnel	EVP General Counsel & Secretary	142,000	40,500	4,500
Laura L. Barton	EVP Communications	135,000	39,150	4,350
Jay A. Nudi	Treasurer & Principal Accounting Officer	113,000	32,400	3,600

The long-term incentive stock option awards are valued based upon the Black-Scholes valuation model on the date of grant. The restricted stock units are valued based upon the stock price on the date of grant.

The PRSUs will vest only if the Company Total Stockholder Return, measured by the increase or decline of the closing stock price, is higher than the Total Stockholder Return of the Russell 3000 Index companies for the period beginning December 16, 2014 through December 15, 2015 (the Performance Criteria), measured by the increase or decline of the Russell 3000 Index. The PRSUs will vest in a number of shares equal to 1/3 of the total shares awarded on each of December 20, 2015 through 2017. If the Performance Criteria is not achieved, the PRSUs will terminate on December 15, 2015. If the 2015 Plan is not approved by our stockholders by January 2, 2016, all equity awards set forth in the table above will be cancelled and forfeited in their entirety.

Company key performance criteria did not change in substance for 2015; however, criteria quantitative ranges were adjusted based upon the 2014 actual results and the 2015 budget.

Compensation Tables

SUMMARY COMPENSATION TABLE

The following table sets forth information regarding the compensation paid to or earned by the Company s Chief Executive Officer and the other NEOs for services rendered to the Company and its subsidiaries for the fiscal years ended December 31, 2012, 2013 and 2014. Expense related to Annual Incentive Awards that were paid after the fiscal year ending date are included in compensation expense for each year.

Name and Principal Position (1)	**Year**	**Salary ($)**	**Stock Awards**	**Option Awards**	**Non-Equity Incentive**	**All Other**	**Total ($)**

			($) (2)	($) (3)	Plan Compensation ($) (4)	Compensation ($) (5)	
Gregory P. Stemm,	2014	318,750	0	106,500	0	106,874	532,124
Former Chief Executive Officer,	2013	422,393	326,732	335,775	225,250	1,548	1,311,698
Chairman (6)	2012	405,333	289,192	329,102	205,870	1,290	1,230,787
Mark D. Gordon,	2014	308,750	771,376	342,946	0	737	1,423,809
President and Chief Executive	2013	291,987	183,969	185,625	136,806	805	799,192
Officer (7)	2012	272,917	124,543	141,732	114,835	615	654,642
Philip S. Devine,	2014	260,000	182,500	207,776	0	649	650,925
Chief Financial Officer (8)	2013	76,226	144,500	124,000	30,144	63	374,933
Melinda MacConnel,	2014	165,000	82,500	105,486	0	412	353,398
EVP, General Counsel &	2013	163,654	82,955	250,375	65,588	204	562,776
Secretary	2012	153,833	52,681	59,953	55,335	187	321,989

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Name and Principal Position (1)	Year	Salary ($)	Stock Awards ($) (2)	Option Awards ($) (3)	Non-Equity Incentive Plan Compensation ($) (4)	All Other Compensation ($) (5)	Total ($)
Laura L. Barton,	2014	157,000	78,500	207,573	0	392	443,465
EVP of Communications	2013	156,154	80,278	78,750	62,408	292	377,882
	2012	149,250	52,681	59,953	53,550	274	315,708
Jay Nudi,	2014	154,000	77,000	98,454	0	384	329,838
Principal Accounting Officer,	2013	153,393	59,407	55,500	59,270	284	327,854
Treasurer	2012	147,417	52,681	59,953	43,070	175	303,296

(1) The offices held by each named executive officer are as of December 31, 2014.

(2) The amounts reported reflect the fair value of restricted stock awards, in accordance with Accounting Standards Codification topic 718 Stock Compensation (ASC 718), awarded under the 2005 and 2015 Stock Incentive Plans. For each restricted stock award, fair value is calculated using the closing price of the common stock on the date of grant. These amounts reflect the accounting expense for these awards and do not necessarily correspond to the actual value that will be recognized by the NEOs, which may be higher or lower based on a number of factors including stock price fluctuations and applicable vesting.

(3) The amounts reported are the fair value of option awards as determined using a Black-Scholes valuation model in accordance with ASC 718, disregarding any estimates of forfeitures related to service-based vesting conditions. The assumptions used to calculate the value of option awards are detailed in Note O under the caption Stock-Based Compensation to the Company s Consolidated Financial Statements set forth in the Company s Annual Report on Form 10-K for fiscal year ended December 31, 2014. These amounts reflect the accounting expense for these awards and do not necessarily correspond to the actual value that will be recognized by the NEOs, which may be higher or lower based on a number of factors including stock price fluctuations and applicable vesting.

(4) At the meeting of the Compensation Committee held March 2, 2015, it was determined that there would be no payout of Annual Incentive Plan compensation for 2014 even though the performance criteria under the Plan was partially achieved in 2014.

(5) The amounts shown reflect amounts for life insurance premiums paid by the Company on behalf of each NEO for the fiscal years 2012, 2013 and 2014, except for Mr. Stemm for whom the 2014 amount also includes $106,250 paid to Mr. Stemm for consulting services for the period October 1, 2014 through December 31, 2014.

(6) Mr. Stemm served as Chief Executive Officer through September 30, 2014, and was appointed Chairman of the Board on October 1, 2014. He ceased to be an employee of the Company on September 30, 2014. He has been providing consulting services to the Company since October 1, 2014.

(7) Mr. Gordon assumed the position of Chief Executive Officer on October 1, 2014. He previously held the position of Chief Operating Officer until September 30, 2014. He remained President throughout the full year 2014.

(8) Mr. Devine was appointed Chief Financial Officer of the Company in September 2013.

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2014 GRANTS OF PLAN-BASED AWARDS

The following table sets forth the estimated future payouts under non-equity incentive plan awards and actual number of stock and option awards granted to the named executive officers for the fiscal year ended December 31, 2014, and the grant date fair value of these awards.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payout under Equity Incentive Plan Awards:				
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Number of Shares of Stock (#)	All Other Stock Awards: No. of Shares of Stock or Units (#) (1)	All Other Option Awards: No. of Securities Underlying Options (#) (2)	Exercise or Base Price of Option Awards ($)	Grant Date Fair Value of Stock and Option Awards ($) (3)
Gregory P. Stemm		297,500	340,000	425,000					
Options (4)	1/2/15						150,000	1.04	106,500
Mark D. Gordon		245,000	280,000	350,000					
RSA	1/3/14					92,188			184,376
RSA	8/13/14					100,000			127,000
RSA	10/1/14				500,000				460,000
Options	1/3/14						255,930	2.20	342,946
Philip S. Devine		156,000	182,000	208,000					
RSA	1/3/14					91,250			182,500
Options	1/3/14						155,057	2.20	207,776
Melinda J. MacConnel		82,500	99,000	115,500					
RSA	1/3/14					41,250			82,500
Options	1/3/14						78,721	2.20	105,486
Laura L. Barton		78,500	94,200	109,900					
RSA	1/3/14					39,250			78,500
Options	1/3/14						154,905	2.20	207,573
Jay Nudi		77,000	92,400	107,800					
RSA	1/3/14					38,500			77,000
Options	1/3/14						73,473	2.20	98,454

(1) Stock awards granted to our NEOs provide long-term incentive compensation as reflected in the 2014 Summary Compensation Table. The awards were granted from the 2005 Stock Incentive Plan.

(2) Stock options granted to our NEOs provide long-term incentive compensation as reflected in the 2014 Summary Compensation Table. The awards were granted from the 2005 Stock Incentive Plan, except in the case of Mr. Stemm who received an award from the 2015 Stock Incentive Plan.

(3) The amounts reported are the fair value of option awards as determined using a Black-Scholes valuation model in accordance with ASC 718, disregarding any estimates of forfeitures related to service-based vesting conditions. Except with respect to Mr. Stemm, the assumptions used to calculate the value of option awards are detailed in Note O under the caption Stock-Based Compensation to the Company s Consolidated Financial Statements set forth in the Company s Annual Report on Form 10-K for fiscal year ended December 31, 2014. For Mr. Stemm s option award, we assumed a risk-free interest rate of 1.78%, an expected volatility of common stock of 64.47%, a dividend yield of 0%, and an expected life of options of 6.1 years. These amounts reflect the accounting expense for these awards and do not necessarily correspond to the actual value that will be recognized by the NEOs, which may be higher or lower based on a number of factors including stock price fluctuations and applicable vesting.

(4) On January 2, 2015, the Board of Directors granted 150,000 stock options to Mr. Stemm for services rendered during 2014.

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The Summary Compensation Table and Grants of Plan-Based Awards Table provide details of cash and non-cash compensation reportable for our named executive officers. The tables include the base salaries paid to our NEOs and compensation cost calculated under ASC 718 attributed to the award or grant of the long-term component of executive compensation during the year. The below table indicates the ratios of base salary, compensation cost calculated under ASC 718 and all other compensation to total compensation.

Name	Salary as a Percentage of Total Compensation	Non-Equity Incentive Plan Compensation as a Percentage of Total Compensation	Fair Value of Equity Awards as a Percentage of Total Compensation	All Other Compensation as a Percentage of Total Compensation
Gregory P. Stemm	60%	0%	20%	20%
Mark D. Gordon	22%	0%	78%	*
Philip S. Devine	40%	0%	60%	*
Melinda J. MacConnel	47%	0%	53%	*
Laura L. Barton	35%	0%	65%	*
Jay A. Nudi	47%	0%	53%	*

* = less than 1%

All of our NEOs salaries and life insurance premiums were paid in cash. The fair value of equity awards for each NEO is the aggregate fair value of stock awards or options determined as of the date of grant. These amounts reflect the aggregate accounting fair value on the date of grant and do not correspond to the actual value that may be recognized by the named executive.

2014 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END

The following table shows the number of shares of common stock covered by outstanding stock option awards that are exercisable and unexercisable, and the number of shares of common stock covered by unvested restricted stock awards for each of our named executive officers as of December 31, 2014.

	Option Awards				Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#) (1)	Market Value of Shares or Units of Stock That Have Not Vested ($) (2)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or other Rights that have not Vested (#) (3)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or other Rights that have not Vested

								($) (2)
Gregory P. Stemm	191,776		2.74	12/26/2015 (4)				
	228,543		2.73	12/26/2016 (5)				
	149,234	74,616	2.89	12/31/2017 (6)				
Mark D. Gordon	76,645		2.74	12/26/2015 (7)				
	98,425		2.73	12/26/2016 (8)				
	82,500	41,250	2.89	12/31/2017 (9)				
	83,310	170,620	2.20	12/31/2023 (10)				
					61,459	57,157	500,000	$ 465,000
Philip S. Devine	33,333	66,667	3.25	9/16/2018 (11)				
	51,686	103,371	2.20	12/31/2023 (12)				
					60,833	56,575		
Melinda J. MacConnel	31,720		2.74	12/31/2015 (13)				
	41,634		2.73	12/26/2016 (14)				
	20,000		3.90	7/3/2017 (15)				
	36,166	18,084	2.89	12/31/2017 (16)				
	100,000		3.50	12/31/2017 (17)				
	26,240	52,481	2.20	12/31/2023 (18)				
					27,500	25,575		

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	Option Awards				Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#) (1)	Market Value of Shares or Units of Stock That Have Not Vested ($) (2)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or other Rights that have not Vested (#) (3)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or other Rights that have not Vested ($) (2)
Laura L. Barton	31,720		2.74	12/26/2015 (19)				
	41,634		2.73	12/26/2016 (20)				
	35,000	17,500	2.89	12/31/2017 (21)				
	51,635	103,270	2.20	12/31/2023 (22)				
					26,167	24,335		
Jay Nudi	31,720		2.74	12/26/2015 (23)				
	41,634		2.73	12/26/2016 (24)				
	24,666	12,334	2.89	12/31/2017 (25)				
	24,491	48,982	2.20	12/31/2023 (26)				
					25,667	23,870		

(1) For each stock award in this column, the remaining unvested shares reported will vest on December 20, 2015 and 2016.

(2) The market value of the restricted stock awards that have not vested is calculated by multiplying the number of shares represented by the stock awards by the closing price of our common stock on December 31, 2014, which was $0.93.

(3) The Award will vest as follows: 125,000 restricted shares will vest when the average closing share price of the common stock for any 20 consecutive trading days is $3.50 or higher; 125,000 restricted shares will vest when the average closing share price for any 20 consecutive trading days is $4.00 or higher; 125,000 of the restricted shares will vest when the average closing share price for any 20 consecutive trading days is $4.50 or higher; and 125,000 restricted shares will vest when the average closing share price for any 20 consecutive trading days is $5.00 or higher.

(4) This option vested as to 63,925 shares on each December 26, 2011 and 2012 and 63,926 shares on December 26, 2013.

(5) This option vested as to 76,181 shares on each of December 26, 2012 through 2014.

(6) This option vests as to 74,617 shares on each of December 31, 2013 and 2014, and 74,616 on December 31, 2015.

(7) This option vested as to 25,548 shares on each of December 26, 2011 and 2012 and 25,549 shares on December 26, 2013.

(8) This option vested as to 32,808 shares on each of December 26, 2012 and 2013 and 32,809 on December 26, 2014.

(9) This option vests as to 41,250 shares on each of December 31, 2013 through 2015.

(10) This option vests as to 83,310 shares on December 31, 2014, 2015 and 2016.

(11)

This option vests as to 33,333 shares on September 16, 2014 and 2015 and as to 33,334 shares on September 16, 2016.

(12) This option vests as to 51,686 shares on December 31, 2014 and 2015 and to 51,685 shares on December 31, 2016.

(13) This option vested as to 10,573 shares on each of December 26, 2011 and 2012 and 10,574 shares on December 26, 2013.

(14) This option vested as to 13,878 shares on each of December 26, 2012 through 2014.

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(15) This option vested as to 10,000 shares on each of July 3, 2013 and 2014.
(16) This option vests as to 18,083 shares on December 31, 2013 and 2014 and 18,084 shares on December 31, 2015.
(17) This option vested as to 100,000 shares on March 6, 2013.
(18) This option vests as to 26,240 shares on December 31, 2014 and 2015 and to 26,241 shares on December 31, 2016.
(19) This option vested as to 10,573 shares on each of December 26, 2011 and 2012 and 10,574 shares on December 26, 2013.
(20) This option vested as to 13,878 shares on each of December 26, 2012 through 2014.
(21) This option vests as to 17,500 shares on each of December 31, 2013 through 2015.
(22) This option vests as to 51,635 shares on December 31, 2014, 2015 and 2016.
(23) This option vested as to 10,573 shares on each of December 26, 2011 and 2012 and 10,574 shares on December 26, 2013.
(24) This option vested as to 13,878 shares on each of December 26, 2012 through 2014.
(25) This option vests as to 12,333 shares on December 31, 2013 and 2014 and to 12,334 shares on December 31, 2015.
(26) This option vests as to 24,491 shares on December 31, 2014, 2015 and 2016.

2014 OPTION EXERCISES AND STOCK VESTED

The following table sets forth certain information regarding options exercised and stock awards vested during 2014 for the named executive officers.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Gregory P. Stemm			56,528	58,224
Mark D. Gordon			162,557	191,434
Philip S. Devine			55,417	56,330
Melinda J. MacConnel			28,102	28,945
Laura L. Barton			26,972	27,781
Jay Nudi			23,111	23,870

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE-IN-CONTROL

None of our NEOs, other than Mr. Gordon, has an employment contract or agreement, whether written or unwritten, that provides for payments at, following, or in connection with a change-in-control of the Company or termination of employment. Under our 2005 Stock Incentive Plan, the Compensation Committee has the discretion, but not the obligation, to accelerate the vesting or to compensate holders of otherwise unvested stock incentives in the event of a change-in-control. Only options or restricted stock awards not assumed by the entity taking control are subject to potential acceleration of vesting under a change-in-control.

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Termination

Mr. Gordon s employment agreement provides for payment to Mr. Gordon upon termination in the event of his death or disability, voluntary termination, termination for cause, or termination for good reason. Payments consist of (a) Accrued Obligations (salary, vacation and earned bonus) at year end, (b) a Cash Severance payment in the amount of 2 times the sum of Mr. Gordon s base salary and 2014 target incentive award, (c) vesting of certain equity awards under the 2005 Stock Incentive Plan, and (d) ongoing reimbursement of COBRA health insurance payments made by Mr. Gordon. Payments that would have been due to Mr. Gordon and the value of equity awards that would have vested had he been terminated on December 31, 2014 are shown in the table below. None of our other NEOs have employment agreements that provide for payments upon termination.

Severance Benefit Due to Mr. Gordon Upon Termination	Good Reason; Disability $	For Cause; Voluntary (without Good Reason); Death $
Accrued Obligations		
Cash Severance	1,260,000	
Equity (1)	289,657	
COBRA (2)	48,600	

(1) Upon termination at December 31, 2014, Mr. Gordon would vest in 311,459 restricted stock units valued at $0.93 per share which was the closing price of our common stock on December 31, 2014.

(2) COBRA payments are estimated over a two-year period and would be reimbursable to Mr. Gordon monthly.

At December 31, 2014, there were life insurance policies that would have paid the following benefits upon the death of our NEOs as follows:

Name	Life insurance benefits payable upon the death of or our NEOs as of December 31, 2014 ($)
Mark D. Gordon	300,000
Philip S. Devine	260,000
Melinda J. MacConnel	165,000
Laura L. Barton	157,000
Jay Nudi	154,000

Change-in-Control

Mr. Gordon s employment agreement also provides for the vesting of all outstanding unvested stock options and restricted stock awards (other than the restricted stock units representing 500,000 shares which were granted on the signing of the employment agreement (the Initial Grant)) upon a change-in-control, which is defined in the employment agreement to include (a) a person or group acquiring 40.0% or more of the fair market value or voting power of the Company s stock, (b) a person or group acquiring 25.0% or more of the voting power of the Company s stock during a twelve-month period, and (c) a majority of the members of the Company s Board of Directors is

replaced by directors whose appointment or election is not endorse by a majority of the Board of Directors before the date of election or appointment. Accordingly, Mr. Gordon s outstanding unvested stock options and restricted stock awards (other than the Initial Grant) will vest if the Investor s ownership exceeds the threshold in clause (a) or (b) through the purchase of Class AA Preferred Stock under the Purchase Agreement.

At December 31, 2014, our closing stock price was $0.93 per share. There were no in-the-money stock options that could have become immediately exercisable due to a change-in-control if the Compensation Committee acted to accelerate the vesting on the unvested options. At December 31, 2014, there were 258,154 unvested restricted stock awards having a value of $240,083 that could have been purchased by the Company in cash or in stock in the event of a change-in-control at the discretion of the Compensation Committee. The number and value of such options and restricted stock awards is shown in the table below. The amounts shown are the cost that would

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have been recognized by the Company in the event of a change-in-control on December 31, 2014, if the Compensation Committee approved compensating each officer for the value of the options and restricted stock awards shown, and for Mr. Gordon according to the terms of his employment agreement.

	Option Awards		Stock Awards	
Name	Number of In the Money Options Exercisable on Change-in-Control (#)	Potential Payment or Exercise Value Realizable upon Change-in-Control ($)	Number of Shares Acquired on Vesting upon Change-in-Control (#)	Potential Payment or Value Realizable on Change-in-Control ($)
Mark D. Gordon			61,459	57,157
Philip S. Devine			60,833	56,575
Melinda J. MacConnel			27,500	25,575
Laura L. Barton			26,167	24,335
Jay Nudi			25,667	23,870

DIRECTOR COMPENSATION

The following table sets forth certain information regarding the compensation paid to directors for 2014. The Compensation Committee used the same peer group as was used for executive officers to benchmark total compensation for directors.

2014 DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($) (1)	Option Awards ($) (2)	All Other Compensation ($)	Total ($)
Bradford B. Baker	81,500	30,829	10,650		122,979
Max H. Cohen	68,000	23,771	7,100		98,871
Mark B. Justh	68,000	23,648	42,600		134,248
Dr. David J. Saul (3)	62,500	20,057	7,100		89,657
Jon D. Sawyer	68,000	23,771	7,100		98,871

(1) The amounts reported are the fair value of option awards as determined using a Black-Scholes valuation model in accordance with ASC 718, disregarding any estimates of forfeitures related to service-based vesting conditions. To calculate the value of the option awards, we assumed a risk-free interest rate of 1.78%, an expected volatility of common stock of 64.47%, a dividend yield of 0%, and an expected life of options of 6.1 years. These amounts reflect the accounting expense for these awards and do not necessarily correspond to the actual value that will be

recognized by the NEOs, which may be higher or lower based on a number of factors including stock price fluctuations and applicable vesting.

(2) The amounts reported reflect the fair value of restricted stock awards, in accordance with Accounting Standards Codification topic 718 - Stock Compensation (ASC 718), awarded under the 2005 and 2015 Stock Incentive Plans. For each restricted stock award, fair value is calculated using the closing price of the common stock on the date of grant. These amounts reflect the accounting expense for these awards and do not necessarily correspond to the actual value that will be recognized by the NEOs, which may be higher or lower based on a number of factors including stock price fluctuations and applicable vesting.

(3) Dr. Saul elected to receive 26,622 shares of common stock for $40,000 of the fees earned in cash.

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For services rendered during 2014, the directors were granted the following equity awards on January 2, 2015, the values of which are included in the above table:

Non-Employee Director	Options (1)	Exercise Price	Termination Date	Restricted Stock Units (2)
Mr. Baker	15,000	1.04	12/31/2024	29,643
Mr. Cohen	10,000	1.04	12/31/2024	22,857
Mr. Justh	60,000	1.04	12/31/2024	22,738
Dr. Saul	10,000	1.04	12/31/2024	19,286
Mr. Sawyer	10,000	1.04	12/31/2024	22,857

(1) Provided that the 2015 Plan is approved by our stockholders, the directors will become vested in the right to exercise all of the options granted on December 31, 2015. The exercise price is $1.04 per share, and the options expire on December 31, 2024. If the 2015 Plan is not approved by our stockholders by January 2, 2016, these options will be cancelled and forfeited in their entirety.

(2) Each restricted stock unit will vest upon approval of the 2015 Plan. If the 2015 Plan is not approved by our stockholders by January 2, 2016, these restricted stock units will be cancelled and forfeited in their entirety.

DIRECTOR OUTSTANDING EQUITY AWARDS

The following table shows the number of shares of common stock covered by outstanding stock option awards that are exercisable and unexercisable, and the number of shares of common stock covered by unvested restricted stock awards for each of our independent directors as of January 2, 2015. The January 2, 2015 Awards were included in this table because they are included as a component of director compensation in the 2014 Director Compensation Table.

	Option Awards				Stock Awards	
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable (1)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#) (2)	Market Value of Shares or Units of Stock That Have Not Vested ($) (3)
Bradford B. Baker	10,000		2.89	12/31/2017		
		15,000	1.04	12/31/2024		
					29,643	30,829
Max H. Cohen	10,000		2.89	12/31/2017		

		10,000	1.04	12/31/2024		
					22,857	23,771
Mark B. Justh	10,000		2.89	12/31/2017		
		60,000	1.04	12/31/2024		
					22,738	23,648
David J. Saul	10,000		2.89	12/31/2017		
		10,000	1.04	12/31/2024		
					19,286	20,057
Jon D. Sawyer	10,000		2.89	12/31/2017		
		10,000	1.04	12/31/2024		
					22,857	23,771

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(1) Each stock option in this column will vest on December 31, 2015, provided the 2015 Stock Incentive Plan, as amended, is approved by stockholders. The options will terminate early if the 2015 Stock Incentive Plan, as amended, is not approved by January 2, 2016.
(2) Each restricted stock unit will vest upon approval of the 2015 stock incentive plan.
(3) The market value of the restricted stock units that have not vested is calculated by multiplying the number of shares represented by the stock awards by the closing price of our common stock on January 2, 2015, which was $1.04.

Compensation of Directors

For the year ended December 31, 2014, our outside directors were compensated according to the following structure:

Each outside director received $40,000 annually as a retainer. Additional annual retainers were paid as follows for chairmanship duties:

Lead Director	$ 12,000
Audit Committee Chairman	$ 10,000
Compensation Committee Chairman	$ 5,000
Governance and Nominating Committee Chairman	$ 5,000

Each director has the option to receive cash or common stock for the amount of retainers. Retainers are paid quarterly in advance unless stock is awarded. When stock is awarded, the number of shares is calculated by dividing the dollar amount otherwise due in cash by the fair market value of the stock on the first day of each quarter when cash payments are due. The stock is restricted until the service period ends.

In addition, outside directors received $1,000 per meeting attended on behalf of the Board of Directors including full board meetings, and audit committee, governance and nominating committee and compensation committee meetings.

Meetings attended telephonically earned compensation of $500 for attendance.

We do not pay amounts that would be classified as perquisites or other compensation to our directors, and there are no existing or potential change-in-control, retirement or legacy obligations.

Directors were reimbursed for out-of-pocket expenses in connection with attending meetings of the Board of Directors or committees.

Directors will be compensated for 2015 under a similar plan as for 2014. The following table provides an estimate of director compensation for 2015.

ESTIMATED DIRECTOR COMPENSATION FOR 2015

	Lead Director	Audit Chair	Compensation Chair	Governance Chair	Committee Member
Total retainer	$ 62,000	$ 50,000	$ 45,000	$ 45,000	$ 40,000
Estimated fees (1)	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
Estimated equity value	$ 34,750	$ 29,500	$ 24,000	$ 24,000	$ 20,250
Estimated total compensation	$ 121,750	$ 104,500	$ 94,000	$ 94,000	$ 85,250

(1) Assumes the following meetings per year:

Board	8	Governance	4
Audit	8	Telephonic	2
Compensation	4		

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of March 31, 2015, the beneficial ownership of each person known by the Company to be the beneficial owner of five percent or more of our common stock, each named executive officer and director individually and all executive officers and directors of the Company as a group.

Beneficial ownership is determined in accordance with the rules of the SEC, based on factors including voting and investment power with respect to shares. Percentage of beneficial ownership is based on the number of shares of common stock outstanding as of March 31, 2015. Shares of common stock issuable upon conversion of convertible preferred stock, or the exercise of stock options or warrants currently exercisable, or exercisable within 60 days after March 31, 2015, are deemed outstanding for the purpose of computing the percentage ownership of the person holding such shares, options or warrants, but are not deemed outstanding for computing the percentage ownership for any other persons.

Name of Beneficial Owner	**Amount of Beneficial Ownership** (1)	**Percentage of Class**
Gregory P. Stemm, Chairman of Board	2,990,559 (2)	3.3
Dr. David J. Saul, Director	1,140,293 (3)	1.3
Mark D. Gordon, CEO, President & Director	684,906 (4)	*
Melinda J. MacConnel, EVP, General Counsel and Secretary	377,772 (5)	*
Laura L. Barton, EVP of Communications	358,123 (6)	*
Jon D. Sawyer, Director	240,849 (7)	*
Jay A. Nudi, Treasurer and Principal Accounting Officer	243,322 (8)	*
Bradford B. Baker, Director	212,022 (9)	*
Philip S. Devine, CFO	158,599 (10)	
Mark B. Justh, Director	132,801 (11)	*
John Longley, Jr., COO	79,009 (12)	*
Max H. Cohen, Director	59,905 (13)	*
All Officers and Directors as a group (12 persons)	6,678,160	7.3%
Brinker Capital Inc. 1055 Westlakes Dr., Ste. 250 Berwyn, PA 19312	12,516,951 (14)	14.67%
Columbus Capital Management, LLC And Matthew D. Ockner 1 Market Street, Spear Tower, Suite 3790 San Francisco, CA 94105	6,113,277 (15)	7.2%

Ori Uziel 510 LaGuardia Place, 5th Floor New York, NY 10012	5,210,750 (16)	6.1%

* Represents less than 1% beneficial ownership.

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(1) Unless otherwise noted, the nature of beneficial ownership consists of sole voting and investment power.
(2) Consists of 1,298,447 shares held jointly by Mr. Stemm and his wife; 1,122,559 shares held by Adanic Capital, Ltd., a limited partnership for which Mr. Stemm serves as general partner; and 569,553 shares underlying currently exercisable stock options. Mr. Stemm has pledged 500,000 shares of common stock as collateral for a personal loan.
(3) Consists of 1,111,007 shares held jointly by Dr. Saul and his wife and 10,000 shares underlying currently exercisable stock options and 19,286 restricted stock units held by Dr. Saul.
(4) Includes 342,027 shares held by Mr. Gordon and 342,879 shares underlying currently exercisable stock options held by Mr. Gordon.
(5) Includes 122,012 shares held by Ms. MacConnel and 255,760 shares underlying currently exercisable stock options held by Ms. MacConnel.
(6) Consists of 198,134 shares held jointly by Mrs. Barton and her husband and 159,989 shares underlying currently exercisable stock options held by Mrs. Barton.
(7) Consists of 82,535 shares held jointly by Mr. Sawyer and his wife, 125,457 shares held by Sawyer Family Partners, Ltd., a limited partnership of which Mr. Sawyer serves as the general partner, and 10,000 shares underlying currently exercisable stock options and 22,857 restricted stock units held by Mr. Sawyer.
(8) Includes 120,811 shares held by Mr. Nudi and 122,511 shares underlying currently exercisable stock options held by Mr. Nudi.
(9) Consists of 29,000 shares held by the Bristol Edward Rudolph Revocable Trust, a trust of which Mr. Baker is the sole trustee, 143,379 shares held by Mr. Baker and 10,000 shares underlying currently exercisable stock options and 29,643 restricted stock units held by Mr. Baker.
(10) Includes 73,580 shares held by Mr. Devine and 85,019 shares underlying currently exercisable stock options held by Mr. Devine.
(11) Consists of 100,063 shares held by Mr. Justh, 10,000 shares held by Hybrid Equity Partners LLC, a limited liability company of which Mr. Justh is a member, and 22,738 restricted stock units held by Mr. Justh.
(12) Includes 16,494 shares held by Mr. Longley and 62,515 shares underlying currently exercisable stock options held by Mr. Longley.
(13) Includes 27,048 shares held by Mr. Cohen and 10,000 shares underlying currently exercisable stock options and 22,857 restricted stock units held by Mr. Cohen.
(14) Based upon Schedule 13G filed by Brinker Capital Inc. on February 17, 2015.
(15) Based upon Schedule 13G filed by Columbus Capital Management, LLC and Mr. Ockner on February 13, 2015.
(16) Based upon Schedule 13G filed by Mr. Uziel on February 13, 2015.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Based solely on a review of Forms 3 and 4 and amendments thereto furnished to the Company during the fiscal year ended December 31, 2014, and Form 5 and amendments thereto furnished to the Company with respect to the fiscal year ended December 31, 2014, and certain written representations, no persons who were either a director, executive 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 fiscal year ended December 31, 2014.

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Policy on Review, Approval or Ratification of Transactions with Related Parties

In March 2007, our Board of Directors adopted the following policy governing transactions with related parties.

Transactions involving related parties present a risk to us of being improperly valued or of exposing us to conflicts of interest. To reduce the potential for these risks, the Board has adopted this policy which must be followed in connection with all related party transactions involving us or our subsidiaries when the dollar amount of the transaction or a series of similar related transactions exceeds or is expected to exceed $120,000 during a fiscal year. All completed or proposed related party transactions are to be reported to the Company s internal Disclosure Committee no later than the end of the current quarter and the Committee will present the transactions or proposed transactions to the Board of Directors for review, ratification or approval.

Related party transactions may be entered into or continued only if approved as follows:

If the related party transaction is in the normal course of our business and is (a) entered into on terms no less favorable to us than those generally being provided to or available for unrelated third parties, or (b) is fair to us in taking into account the totality of the relationships between the parties involved including other transactions that may be particularly favorable or advantageous to us, then the CEO or CFO may approve the transaction, provided the approving individual is not a party to the transaction. Such transactions will then be presented to the disinterested members of the Board of Directors for ratification.

Any other related party transaction may only be approved by a majority of the disinterested Board of Directors.

Prior to adoption of the policy, related party transactions were reviewed by the Board of Directors as these transactions were contemplated or occurred.

SECURITIES RESERVED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information about the Company s common stock that was available for issuance under all of the Company s existing equity compensation plans as of December 31, 2014:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (#)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights ($)	Number of Securities Remaining Available for Future Issuance (#)
Equity compensation plans approved by security holders (1)	4,531,703	2.17	14,917

Equity compensation plan not approved by security holders			

(1) Includes the issuance of 3,693,486 stock options and 838,217 stock awards under the 2005 Stock Incentive Plan approved by stockholders.

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Each outstanding stock option and stock award may be settled in stock on a one-for-one basis. The weighted average exercise price excluding the 838,217 restricted stock awards, which are issuable for no consideration when vested, is $2.67. The shares available for issuance under the 2005 Stock Incentive Plan are available for Incentive Stock Options, Non-Qualified Stock Options, Restricted Stock Awards, Restricted Stock Units and Stock Appreciation Rights. The 2005 Stock Incentive Plan expires on August 3, 2015, after which there can be no further grants or awards of the shares remaining in the plan. Options or awards then outstanding may be vested or exercised until they expire or terminate.

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BACKGROUND OF PROPOSALS 1 THROUGH 3 AND RELATED MATTERS

Background of Proposals 1 Through 3

The Company is a world leader in deep-ocean exploration using innovative methods and state-of-the-art technology for shipwreck projects and mineral exploration. Deep-ocean exploration is a capital-intensive business. Recognizing the need for capital to continue the Company s operations, throughout the past year, the Company s management met with representatives of various potential sources of capital. During these meetings, a variety of different financing transactions were discussed on a preliminary basis. The potential transactions discussed included, among other things:

- borrowing against the Company s unencumbered assets;
- borrowing against future projects;
- convertible debt financing;
- sales of the assets of the Company or its subsidiaries; and
- sales of the equity securities of the Company or its subsidiaries.

None of these meetings and discussions resulted in a viable offer to provide capital to the Company. During this period, the Company s management was also evaluating ways to reduce the Company s operating expenses, recognizing that reducing expenses could also significantly impair the Company s ability to pursue its business plan.

Members of the Company s management team were introduced to representatives of MINOSA in early September 2014, and representatives of MINOSA and the Company met on September 11, 2014. During this meeting, MINOSA s representatives indicated a possible interest in investing in or otherwise considering a transaction involving Oceanica Resources, S. de R.L. (Oceanica), a subsidiary in which the Company holds approximately a 54.0% interest.

After learning more about the Company s business, MINOSA s representatives and representatives of the Company s management met on October 8, 2014. During this meeting, MINOSA s representatives advised the Company that MINOSA would give further consideration to a proposal to finance the Company s entire business through the acquisition of a majority equity interest in the Company. MINOSA s representatives and representatives of the Company s management met on October 26, 2014, to further discuss the Company s business and financing needs.

On October 30, 2014, representatives of the Company, MINOSA, and their respective legal counsel and other advisors met in New York City. During this meeting, representatives of the Company provided MINOSA and its legal counsel and advisors with an overview of the Company s business and operations based upon publicly available information. The Company s representatives also discussed the Company s intended business plans and liquidity needs. The parties discussed structuring an investment by MINOSA through either an equity investment in the Company or an investment directly in, or acquisition of the Company s stake in, Oceanica. At the end of the meeting, MINOSA advised the Company that it would consider the information provided and decide whether to put forth a formal investment proposal, and the Company agreed to provide additional information for MINOSA s consideration.

On October 31, 2014, MINOSA s legal counsel sent an initial draft of a nondisclosure agreement to the Company s legal counsel. Thereafter, MINOSA and the Company, through their respective legal counsel, discussed and negotiated the terms of the nondisclosure agreement, which was entered into on November 18, 2014. Following the entry into the nondisclosure agreement, MINOSA, its affiliates and advisors were provided access to a virtual data room and other non-public information regarding the Company and Oceanica.

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On November 8, 2014, MINOSA s legal counsel provided the Company s legal counsel with a draft of a preliminary investment proposal. The Company s legal counsel reviewed the draft with management, and the draft was generally discussed at a regularly scheduled meeting of the Company s Board of Directors on November 10, 2014. Following their discussion of the preliminary investment proposal, the Board of Directors formed a committee of the board (the Special Committee), consisting of Messrs. Gordon, Justh, and Stemm (with Mr. Gordon serving as chairman), with the power and authority to negotiate the terms of a transaction with MINOSA and its affiliates.

On November 12, 2014, the Special Committee, with the assistance of the Company s independent legal counsel, held a meeting and engaged in a thorough review and discussion of the preliminary investment proposal. Following this meeting, at the direction of the Special Committee, the Company s legal counsel sent an annotated copy of the preliminary investment proposal identifying issues to be discussed to MINOSA s legal counsel.

On November 13, 2014, MINOSA s and the Company s legal counsel had a conference call to discuss the Company s annotations to MINOSA s initial investment proposal, and on the following day, the Company s legal counsel sent MINOSA s legal counsel a revised term sheet reflecting the Company s suggested revisions.

On November 21, 2014, members of the Special Committee and other representatives of the Company, representatives of MINOSA, and their respective legal counsel met at the Company s offices in Tampa, Florida. During the meeting, the parties discussed the Company s business plan and capital structure and revisions to the investment proposal. Following this meeting, legal counsel to MINOSA sent a revised draft of the investment proposal to the Company.

During the week of November 24, 2014, the Special Committee considered the engagement of an investment banking firm to provide a fairness opinion relating to the proposed transaction with MINOSA. The Special Committee considered several investment banking firms for the project, and, after carefully reviewing the possible candidates, selected Hyde Park Capital Advisors, LLC (Hyde Park Capital). The factors considered by the Special Committee in selecting Hyde Park Capital included its independence, experience and expertise rendering fairness opinions, existing familiarity with the Company s business and operations, reputation, and proposed staffing for the project. After exchanging drafts of an engagement letter during the week, the Special Committee and Hyde Park Capital entered into an engagement letter on November 28, 2014.

On November 29, 2014, the Company delivered a business plan to MINOSA.

Following the distribution of the revised investment proposal by legal counsel to MINOSA on November 21, 2014, MINOSA and the Special Committee, through their respective legal counsel, further discussed and negotiated the terms set forth in the preliminary investment proposal, and additional drafts of the investment proposal and indicative terms were exchanged between the parties. The Special Committee met several times during this period to carefully review revised drafts of the preliminary investment proposal with the assistance of the Company s outside legal counsel.

As of November 30, 2014, the Company had unrestricted cash on hand of $2.2 million, a working capital deficit of $15.1 million, indebtedness of $20.9 million, of which $7.7 million was scheduled to mature within six months, and little prospect for revenue for the ensuing six months.

On December 4, 2014, the parties agreed upon a non-binding, preliminary investment proposal providing for both a debt and equity transaction. The debt transaction would consist of an initial $20 million loan to be made by MINOSA to the Company to be secured by a pledge of 38 million shares of Oceanica, in exchange for which MINOSA would also receive a redeemable warrant to purchase a number of shares of common stock equal to 19.9% of the outstanding common stock of the Company at a price of $0.01 per share exercisable seven months after the initial funding (the

Odyssey Warrant). In addition, MINOSA was to receive an option to purchase shares in Oceanica on the same terms granted to Monaco Financial, LLC in connection with its loan dated August 8, 2014 (the Oceanica Call).

In the equity transaction, following the approval of the Company s stockholders, the Investor would commit to purchase three series of convertible preferred stock (collectively, the Series AA Preferred Stock) that

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would be convertible into 65.0% of the fully diluted common stock of the Company. The first series would be in the amount of $20.0 million and would be sold at a price per share of Series AA Preferred Stock of $1.07, which price was determined based on a 90-day volume weighted average price (90-day VWAP). The proceeds of the first series were to be used to repay the indebtedness incurred in the debt transaction. The second series would be a number of shares of Series AA Preferred Stock sufficient to provide MINOSA with a majority of the fully diluted equity capitalization of the Company. The second series would be sold at a price per share of Series AA Preferred Stock of $1.23, which price was determined based on a 15.0% premium to 90-day VWAP. Based on the capitalization numbers included as an exhibit to the preliminary investment proposal, the total investment represented by the first and the second series of Series AA Preferred Stock would have been approximately $121.0 million. The third series would be a number of shares of Series AA Preferred Stock sufficient to provide MINOSA with 65.0% of the fully diluted equity capitalization of the Company. The third series would be sold at a price per share of Series AA Preferred Stock of $1.39, which price was determined based on a 30.0% premium to 90-day VWAP. Based on the capitalization numbers included as an exhibit to the preliminary investment proposal, the total investment represented by the third series would have totaled approximately $120 million. Funding of the second and third series were to be subject to milestones to be based on a business plan to be drafted by the Company and approved by MINOSA. The Series AA Preferred Stock would have a liquidation preference equal to its purchase price plus an accretion at the rate of 8% per annum and would be convertible into common stock on a 1:1 basis. The preliminary investment proposal provided that the Company would deal exclusively with MINOSA, but that the Company could terminate such exclusivity obligation at any time after January 15, 2015. The preliminary investment proposal also contained other terms and conditions typical for transactions of this type.

Following the execution and delivery of the investment proposal, MINOSA, with the assistance of its legal counsel and other advisors, continued their due diligence on the Company and its business, operations, projects, prospects, financial condition, and liquidity needs. MINOSA s legal counsel also began preparing the Purchase Agreement and other documents related to the transaction. On December 13, 2014, the parties executed and delivered an amended and restated preliminary investment proposal to reflect additional agreed terms relating to Oceanica. On December 19, 2014, MINOSA s legal counsel transmitted initial drafts of the Purchase Agreement and certain other transaction documents to the Company s legal counsel.

On December 20, 2014, the Special Committee held a meeting to thoroughly review and discuss the Purchase Agreement and other transaction documents with the assistance of the Company s legal counsel. Following this meeting, the Company s legal counsel sent comments on and proposed revisions to the Purchase Agreement and other transaction documents to MINOSA s legal counsel. On December 23, 2014, legal counsel for the Company and MINOSA s legal counsel held a lengthy telephone conference during which they clarified, discussed, and negotiated the comments and proposed revisions.

On December 29, 2014, MINOSA s legal counsel transmitted revised drafts of the Purchase Agreement and certain other transaction documents to the Company s legal counsel. On December 30, 2014, the Special Committee met with the Company s legal counsel to thoroughly review the revised drafts received the preceding day. During this meeting, the Special Committee noted the requested revisions to the initial drafts that were now reflected in the revised drafts, as well as new terms that had been incorporated into the transaction documents. After the meeting, the Company s legal counsel called MINOSA s legal counsel to discuss the Special Committee s comments and proposed revisions on the revised drafts of the Purchase Agreement and other transaction documents.

During the year ended December 31, 2014, the Company generated revenue of only $1.3 million, incurred a net loss of $26.5 million, and had negative cash flows from operating activities of $28.6 million. As of December 31, 2014, the Company had unrestricted cash on hand of $3.1 million, a working capital deficit of $7.6 million, indebtedness of $23.3 million, of which $7.7 million was scheduled to mature within six months, and little prospect for revenue for the

ensuing six months.

Throughout January and February 2015, MINOSA and its advisors continued their due diligence activities, the Company s share price declined, and its financial position continued to deteriorate. The Company also informed MINOSA of the adoption of the 2015 Stock Incentive Plan. During this period the parties also negotiated other terms of the transaction, including the reduction of the Odyssey Warrant from 19.9% of the outstanding capital to 4.0 million shares of common stock, replacing the milestone conditions for MINOSA s investment with a scheduled funding time line, increasing the number of Odyssey shares securing the initial loan, and increasing the number of

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shares subject to, and the exercise price for, the Odyssey Call. On January 26, 2015, MINOSA s legal counsel transmitted further revised drafts of the Purchase Agreement and certain other transaction documents to the Company s legal counsel. The following day, the Special Committee held a meeting to review and discuss the further revised drafts. During this meeting, the Special Committee developed a list of issues on which they wanted clarification, and the Company s legal counsel communicated those issues to MINOSA s legal counsel after the meeting.

On January 29, 2015, the Company s legal counsel received further revised drafts of the Purchase Agreement and certain other transaction documents from MINOSA s legal counsel. After reviewing these documents, the Company s legal counsel sent the members of the Special Committee a written summary of the changes in the documents and recommendations on how to respond to the changes. The following day, at the direction of the Special Committee, the Company s legal counsel transmitted comments on the most recent drafts of the Purchase Agreement and other transaction documents to MINOSA s legal counsel.

During January and February 2015, the Special Committee held eleven meetings, as well as additional, less formal telephone conferences, to thoroughly review and discuss revised drafts of the various transaction documents with the Company s legal counsel, as well as to discuss timing matters, the Company s financial condition and liquidity needs, negotiating strategies, and other related topics. During the same period, members of the Special Committee and representatives of MINOSA exchanged correspondence, held telephone conferences, and met in person on several occasions to discuss the terms of the proposed transaction, the Company s financial condition, due diligence matters, and other related topics. Throughout January and February, the Special Committee and the Company s legal counsel provided updates to Hyde Park Capital regarding the status of the negotiations with MINOSA and related matters.

As of January 31, 2015, the Company had unrestricted cash on hand of $1.3 million, a working capital deficit of $17.5 million, indebtedness of $22.8 million, of which $7.7 million was scheduled to mature within six months, and little prospect for revenue for the ensuing six months.

On February 11, 2015, MINOSA proposed revised pricing and structuring of the equity investment whereby the Investor would commit to purchase only a majority ownership stake in the Company for approximately $121.0 million and have the option (but not commitment) to purchase up to an additional 15.0% equity interest in the Company. Under the terms of this new proposal, the conversion rate of the first two series of the Series AA Preferred Stock would increase upon the Investor s purchase of the optional 15.0%, preventing the dilution of MINOSA s original investment by any additional optional purchase. The effect of this anti-dilution adjustment would be to reduce MINOSA s cost of increasing its ownership from 50.0% to 65.0% from $120.0 million to approximately $60.0 million.

The Company and MINOSA, through their legal advisors, exchanged counterproposals over the following days with respect to the purchase price of the equity to be acquired by the Investor.

On February 16, 2015, the Company proposed a transaction whereby MINOSA would commit to acquire a majority equity interest in the Company for approximately $121.0 million with an option to acquire an additional 15.0% interest in the Company for approximately $60.0 million, subject to certain conditions.

On February 17, 2015, legal counsel to MINOSA delivered a revised calculation of the 90-day VWAP for the Company s common stock, calculated based on calendar days. Under the revised calculation, the purchase price for the majority equity interest would be $1.10 per share or $111 million. Later in the day, the Company informed MINOSA that they disagreed with the revised calculation of the 90-day VWAP and that the purchase price should be based on 90 trading day calculation consistent with the February 16 proposal. On February 18, 2015, MINOSA reiterated its position to the Company regarding the calculation of the Company s 90-day VWAP. Nevertheless, the parties continued to negotiate the terms of the transaction and MINOSA continued its due diligence examination of the

Company.

As of February 28, 2015, the Company had unrestricted cash on hand of $336,000, a working capital deficit of $19.8 million, indebtedness of $22.8 million, of which $7.7 million was scheduled to mature within six months, and little prospect for revenue for the ensuing six months.

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On March 2, 2015, the Company delivered to MINOSA a draft of the second amended and restated investment proposal that had been developed by the Special Committee based on discussions with MINOSA and consultation with Hyde Park Capital and the Company s legal counsel. The proposal provided for, among other things: (a) a $2.0 million deposit payable upon signing of the second amended and restated investment proposal, (b) a $15.0 million advance towards the purchase of the Series AA Preferred Stock payable over 60 days, (c) a $5.0 million purchase price for the Odyssey Call, with the Odyssey Call having an exercise price of $45.0 million, (d) an Odyssey Warrant for 4.0 million shares of Company common stock at a price of $0.01 per share that MINOSA would use to acquire the Mako warrants on Oceanica common equity, (e) a commitment by MINOSA to purchase a number of shares of Series AA Preferred Stock sufficient to provide MINOSA with a majority of the fully diluted equity capitalization of the Company, sold at a price of $1.18 per share, for a total investment of approximately $121.0 million, and (f) an option, exercisable only if the Odyssey common stock traded above $1.39 for 20 consecutive trading days, for MINOSA to purchase a number of shares of Series AA Preferred Stock sufficient to provide MINOSA with 65.0% of the fully diluted equity capitalization of the Company, which would be sold at a price of $0.50 per share, for an additional investment of approximately $43 million. The drafts delivered to MINOSA on March 2, 2015, were discussed at length at the regularly scheduled meeting of the Company s Board of Directors on March 2 and 3, 2015. During March 3 and March 4, 2015, the parties exchanged proposals regarding certain other terms of MINOSA s investment.

On March 4, 2015, MINOSA delivered a revised draft of the Purchase Agreement to the Company and communicated other material deal terms to representatives of the Company. The terms included, among other things: (a) $14.75 million of loans from MINOSA to the Company, of which $2.0 million would be advanced at an Initial Closing, with the balance to be advanced over time at MINOSA s sole discretion, (b) a $1.00 purchase price for the Odyssey Call having an exercise price of $40.0 million, (c) a warrant for 4.0 million shares of Company common stock at a price of $0.01 per share that MINOSA would use to acquire the Mako warrants on Oceanica common stock, (d) a commitment by MINOSA to purchase a number of shares of Series AA Preferred Stock sufficient to provide MINOSA with a majority of the fully diluted equity capitalization of the Company, sold at a price of $1.10 per share, for a total investment of approximately $111.0 million; provided that the obligation to make the investment was contingent upon MINOSA s satisfaction in its sole discretion with the nature of the consent of its creditors and with viability of the Don Diego West offshore phosphate project (the Don Diego Project), (e) an option, exercisable only if the common stock traded above $1.40 for 20 consecutive trading days, for MINOSA to purchase a number of shares of Series AA Preferred Stock sufficient to provide MINOSA with 65.0% of the fully diluted equity capitalization of the Company, sold at a price of $0.50 per share, for an additional investment of approximately $43.0 million, and (f) a requirement that the Company amend its bylaws to provide, among other things, for an exclusive forum and fee shifting in the case of certain stockholder suits. Representatives from Odyssey responded, among other things, that: (x) the loan should be funded on an agreed upon schedule, and (y) that the condition to funding the equity should be based on MINOSA s receipt of specified creditor consents and not MINOSA s satisfaction in its sole discretion with such consents.

On March 5, 2015, MINOSA s legal counsel informed legal counsel to the Company that, considering MINOSA s view of the Company s financial condition, MINOSA would no longer be willing to proceed with the transaction as then contemplated, but MINOSA would be willing to provide debtor-in-possession financing for the purposes of keeping the Company s estate running and developing the Oceanica business, but not the Company s other activities, if the Company were to seek protection from creditors. From March 4 through March 6, members of the Special Committee and MINOSA discussed the potential transaction and the basis on which MINOSA would be willing to proceed with the transaction as originally structured. On March 6, the parties reached a non-binding agreement to proceed on the basis of MINOSA s March 4 draft of the Purchase Agreement subject to: (a) the $14.75 million of loans would be made pursuant to an express schedule, with Odyssey limited in its use of proceeds to an agreed budget, (b) in the event that MINOSA exercised its option in its sole discretion not to fund the equity commitment based on the consent of its creditors or the state of the development of the Don Diego Project, the Odyssey Call would terminate and the maturity of the loan would be extended to March 31, 2016, (c) MINOSA would not be able to exercise the Oceanica Call if the

initial equity closing occurred, so long as the conditions to continued equity funding were satisfied, and (d) the Odyssey Warrant would be eliminated, and the Company would be responsible for terminating the Mako warrants on Oceanica shares for consideration not in excess of 4.0 million shares of Odyssey common stock. From March 6 through March 9, representatives of the parties worked to finalize the documents governing the transaction.

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On March 9, 2015, the Special Committee held a meeting to review, with the assistance of the Company s legal counsel, the terms of the Purchase Agreement and the other documents governing the transaction, and determined to recommend that the Company s Board of Directors approve the Purchase Agreement, such other documents, and the transaction contemplated thereby. Later on March 9, the Board of Directors met to receive the recommendation of the Special Committee relating to the Purchase Agreement and the transactions contemplated thereby and a presentation by Hyde Park Capital relating to its fairness opinion. At the meeting, Hyde Park Capital delivered its presentation, following which it delivered its written opinion that, as of March 9, 2015, the consideration to be received by the Company pursuant to the Purchase Agreement, including the $1.10 per share of Series AA Preferred Stock to be purchased by MINOSA, is fair, from a financial point of view, to the stockholders of the Company. After the delivery of the fairness opinion, the Company s legal counsel provided the Board of Directors with a detailed review of the terms of the Purchase Agreement and the other documents to be signed. Following this presentation, the Board of Directors engaged in a lengthy discussion regarding the terms of the Purchase Agreement and the other documents and the proposed transactions contemplated thereby. During this discussion, the members of the Board of Directors asked questions of, and received answers from, the Special Committee, Hyde Park Capital, and the Company s legal counsel regarding various matters related to the Purchase Agreement and the other documents and the proposed transactions contemplated thereby. Following this discussion, upon a motion duly made and seconded, the Company s Board of Directors, by unanimously adopted resolutions, (a) determined and declared that the Purchase Agreement and the transactions contemplated thereby, including the issuance of the Class AA Preferred Stock and the adoption of the amendments to the Company s articles of incorporation, are advisable and fair to, and in the best interests of, the Company and its stockholders; (b) authorized and approved the execution, delivery, and performance by the Company of the Purchase Agreement and the other transaction documents to which the Company is a party; and (c) directed that the approval of the issuance of the Class AA Preferred Stock and the adoption of the Purchase Agreement, the amendments to the Company s articles of incorporation, the reverse stock split, and certain related matters be submitted to a vote at a meeting of the Company s stockholders.

On March 9, 2015, after the Company s board meeting, MINOSA s legal counsel informed legal counsel to the Company that MINOSA was not willing to proceed with the transaction with the price of the initial series of Series AA Preferred Stock being $1.10 per share (approximately $111.0 million in the aggregate), which represented an approximate 100% premium to the closing market price on the preceding trading day, but that it would be willing to proceed with a price of $0.95 per share of Series AA Preferred Stock (approximately $96.0 million in the aggregate).

On March 10, 2015, after further negotiations, the parties agreed to proceed with the price of the initial series of Series AA Preferred Stock being $1.00 per share (approximately $101.0 million in the aggregate), and the remaining business issues relating to the proposed transaction were resolved. MINOSA s legal counsel circulated definitive drafts of the Purchase Agreement and the other transaction documents to be signed. Later on March 10, the members of the Board of Directors were briefed on the new terms and were provided written, updated versions of Hyde Park Capital s presentation and fairness opinion and the Company s legal counsel s written description of the terms of the Purchase Agreement and the other transaction documents, in each case updated to reflect the revised deal terms that had been agreed earlier in the day.

On March 11, 2015, the Company s Board of Directors adopted, by unanimous written consent, resolutions (a) determining and declaring that the Purchase Agreement and the transactions contemplated thereby, including the issuance of the Class AA Preferred Stock and the adoption of the amendments to the Company s articles of incorporation, are advisable and fair to, and in the best interests of, the Company and its stockholders; (b) authorizing and approving the execution, delivery, and performance by the Company of the Purchase Agreement and the other transaction documents to which the Company is a party; and (c) directing that the approval of the issuance of the Class AA Preferred Stock and the adoption of the Purchase Agreement, the amendments to the Company s articles of incorporation, the reverse stock split, and certain related matters be submitted to a vote at a meeting of the Company s

stockholders.

The documents relating to the transaction were signed after the close of the market on March 11, 2015.

On April 10, 2015, the Company, MINOSA, and the Investor entered into amendments to the Purchase Agreement, the Note, and the Oceanica Call. See *Purchase Agreement and Related Agreements*.

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Reasons for the Transaction

The Company s Board of Directors has determined that the Purchase Agreement, the Certificate of Amendment, the other agreements entered into in connection with the Purchase Agreement and the transactions contemplated by each of these agreements are fair to, and in the best interests of, Odyssey and its stockholders. In approving these agreements and the transactions, the Board of Directors consulted with its financial advisors with respect to the financial aspects and fairness of the transactions to Odyssey from a financial point of view and with its legal counsel as to its fiduciary duties and the terms of the Purchase Agreement and the other agreements entered into in connection with the Purchase Agreement, including the Certificate of Amendment. In reaching its determination to approve these agreements and the transactions contemplated by these agreements, the Odyssey Board of Directors, with advice from the Special Committee of the Odyssey Board of Directors, Odyssey s executive officers and Odyssey s financial and legal advisors, considered a number of factors, including the following material factors:

The immediate liquidity available to the Company under the Purchase Agreement through the short-term loans provided by MINOSA, which has avoided the Company s need to seek protection from its creditors.

The prospect of the steady future financing available to the Company through the purchase of Class AA Preferred Stock by the Investor over the next three years.

The Company s inability to obtain capital from other sources during the past year.

The fact that if the Investor funds capital to the Company to pursue offshore mining activities, our existing stockholders will be able to participate in the recurring cash flows and value created through these activities.

The potential strategic value that the Investor and its affiliates may bring to the future development of deep-sea resource development.

The business experience and expertise of the Investor s proposed nominees for election to our Board of Directors.

Hyde Park Capital s opinion that the consideration to be received by the Company pursuant to the Purchase Agreement is fair, from a financial point of view, to the Company s stockholders.

The current status of the Company s major projects.

The potential risks associated with the transactions contemplated by the Purchase Agreement, including those set forth under Risk Factors beginning on page 67 of this proxy statement.

The foregoing discussion of the factors considered by Odyssey s Board of Directors is not intended to be exhaustive, but does set forth the principal factors considered by Odyssey s Board of Directors. Odyssey s Board of Directors collectively reached the unanimous conclusion to approve the Purchase Agreement and related transactions in light of the various factors described above and other factors that each member of Odyssey s Board of Directors deemed relevant. Odyssey s Board of Directors made its decision based on the totality of information presented to and considered by it. In considering the factors discussed above, individual directors may have given different weights to different factors.

The above explanation of the reasoning of Odyssey s Board of Directors and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under Cautionary Statement Concerning Forward-Looking Statements beginning on page 86 of this proxy statement.

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Purchase Agreement and Related Agreements

Unless otherwise stated, the share and per-share information set forth in this description of the transactions contemplated by the Purchase Agreement gives effect to the proposed one-for-six reverse stock split contemplated by the Reverse Split Proposal.

The following includes a summary of the material provisions of the Purchase Agreement, the Note, the Pledge Agreement, the Designation, the Stockholder Agreement, the Indemnification Agreement, the Voting Agreement, and the Oceanica Call (in each case as defined below), copies of which are attached to this proxy statement as Appendix A, C, D, E, F, G, H, and I, respectively, and which we incorporate by reference into this proxy statement. This summary may not contain all of the information about the Purchase Agreement and the other documents (collectively, the Transaction Documents) that is important to you. We encourage you to read carefully the Purchase Agreement and other documents in their entirety, as the rights and obligations of the parties thereto are governed by the express terms of the Purchase Agreement and other documents and not by this summary or any other information contained in this proxy statement.

Explanatory Note Regarding the Transaction Documents

The following summary of the Purchase Agreement and other documents, and the copies thereof attached as appendixes to this proxy statement, are intended to provide information regarding their terms, although the SEC has taken the position that the Purchase Agreement and other documents (when included in filings made with the SEC) and the related summary constitute public disclosures. The Purchase Agreement contains representations and warranties by the parties thereto that were made as of specified dates and for purposes of the Purchase Agreement (notwithstanding that the Purchase Agreement has been included in filings made with the SEC, and the SEC has taken the position that its representations and warranties therefore constitute disclosures), including establishing the circumstances in which a party to the Purchase Agreement may have the right not to close the transactions contemplated thereby if the representations and warranties of the other party prove to be untrue due to a change in circumstance or otherwise, rather than establishing matters as facts. The representations, warranties and covenants in the Purchase Agreement may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to the Purchase Agreement instead of establishing these matters as facts, and may apply contractual standards of materiality or material adverse effect that generally differ from those applicable to investors. In addition, information concerning the subject matter of the representations, warranties and covenants may change after the date of the Purchase Agreement, and subsequent information may have been included in this proxy statement or reflected in the Company s other public disclosures. Moreover, the descriptions of the Purchase Agreement and other documents below does not purport to describe all of the terms thereof and are qualified in their entirety by reference to the full text of the Purchase Agreement and other documents, copies of which are attached to this proxy statement as Appendix A, C, D, E, F, G, H, and I and incorporated herein by reference. Any material change to the terms of the Purchase Agreement or other documents will be disclosed in subsequent filings by the Company with the SEC.

Additional information about the Company may be found elsewhere in this proxy statement and the Company s other public filings. See *Where You Can Find Additional Information* beginning on page 86 of this proxy statement.

Purchase Agreement

Issuance and Sale of Class AA Preferred Stock

The Purchase Agreement provides for the Company to issue and sell to the Investor shares of the Company s preferred stock up to the amounts and at the prices set forth below:

Series	No. of Shares	Price per Share
Series AA-1	16,854,007	$ 6.00
Series AA-2	14,446,290	$ 3.00

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The purchase and sale of 5,833,334 shares of Series AA-1 Preferred Stock will occur at an initial closing (the Initial Closing) to be held on the later of (a) 150 days after the signing of the Purchase Agreement, and (b) three business days after stockholder and any other necessary approvals are obtained, and the satisfaction or waiver of the other conditions to the Initial Closing set forth in the Purchase Agreement (as applicable, the Initial Closing Date). The Purchase Agreement provides for the purchase and sale of the remaining 11,020,673 shares of Series AA-1 Preferred Stock at subsequent closing (each, a Subsequent Closing) according to the following schedule:

Date	No. Series AA-1 Shares	Total Purchase Price
March 1, 2016	3,613,978	$ 21,683,868
September 1, 2016	3,613,978	21,683,868
March 1, 2017	3,035,741	18,214,446
March 1, 2018	756,976	4,541,856

The Investor may elect to purchase all or a portion of the Series AA-1 Preferred Stock before the dates set forth above.

Pursuant to the Purchase Agreement, the Investor also has the right, but not the obligation, to purchase all or a portion the 14,446,290 shares of Series AA-2 Preferred Stock at any time after the closing price of the common stock on The NASDAQ Stock Market (NASDAQ) has been $7.56 (or $1.26, before giving effect to the one-for-six stock split) for more for 20 consecutive trading days. The Investor s right to purchase the shares of Series AA-2 Preferred Stock will terminate on the fifth anniversary of the Initial Closing Date. Each date on which the Investor purchases shares of Series AA-1 Preferred Stock after the Initial Closing Date or purchases shares of Series AA-2 Preferred Stock is referred to in this proxy statement is referred to as a Subsequent Closing Date.

Representations and Warranties

The Purchase Agreement contains representations and warranties of the Company as to, among other things:

- corporate organization, existence, good standing, and power and authority to carry on its business;
- the power and authority of the Company and its subsidiaries to enter into the Purchase Agreement and the other transaction documents to which each is a party and to consummate the transactions contemplated thereby;
- the absence of certain violations, defaults, or consent requirements under certain contracts, organizational documents and law, in each case arising out of the execution and delivery of, and consummation of the transactions contemplated by, the Purchase Agreement;
- required regulatory filings and authorizations, consents or approvals of governmental entities;
- the capitalization of the Company and the capitalization of and other matters related to Oceanica;

the Company s subsidiaries;

matters relating to the Company s filings with the SEC, financial statements, and liabilities;

the absence of certain litigation, orders and judgments, and governmental proceedings and investigations related to the Company;

compliance with laws during the last three years and possession of necessary permits and authorizations by the Company and its subsidiaries;

material contracts of the Company and its subsidiaries;

employee matters;

absence of related party transactions;

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intellectual property;

tax matters;

environmental matters;

insurance policies of the Company and its subsidiaries;

compliance with the Foreign Corrupt Practices Act and other anti-corruption and anti-money laundering laws;

the absence of certain changes or events since December 31, 2014;

the absence of any undisclosed fees owed to investment bankers, financial advisors or brokers in connection with the transactions contemplated by the Purchase Agreement;

the issuance of the Class AA Preferred Stock and the shares of common stock issuable upon conversion thereof and related matters;

matters relating to information to be included in required filings with the SEC in connection with the transactions contemplated by the Purchase Agreement;

the receipt by the Company of an opinion from Hyde Park Capital Advisors, LLC; and

certain provisions of Nevada law.

The Purchase Agreement contains representations and warranties of the Investor as to, among other things:

its organization, existence, good standing, and power and authority to carry on its business;

the power and authority of the Investor to enter into the Purchase Agreement and the other transaction documents to which the Investor is a party and to consummate the transactions contemplated thereby;

the absence of certain violations, defaults, or consent requirements under certain contracts, organizational documents and law, in each case arising out of the execution and delivery of, and

consummation of the transactions contemplated by, the Purchase Agreement;

required regulatory filings and authorizations, consents or approvals of governmental entities;

the Investor s receipt of certain information;

the Investor s knowledge and experience;

the Investor s status as an accredited investor ;

securities law matters;

the absence of certain litigation, orders and judgments, and governmental proceedings and investigations related to the Investor; and

its ownership of shares of the Company s common stock.

Conduct of Business Pending the Initial Closing

The Purchase Agreement provides that during the period from the signing of the Purchase Agreement to the Initial Closing Date, subject to certain exceptions in the Purchase Agreement, the Company will, and will cause each of its subsidiaries to, conduct its business according to its ordinary and usual course of business consistent with past practice, use its commercially reasonable efforts to preserve substantially intact its business organization, keep available the services of and maintain good relationship with its current officers and employees and preserve its relationships with governmental agencies, maintain in effect all of its material Permits, maintain in full force and effect all material insurance policies, conduct its business through certain subsidiaries, and not incur any liabilities, except for those arising from its status as a public company. The Purchase Agreement further provides that during such period, the Company will not take, and will not permit any of its subsidiaries to take, the following actions (subject, in some cases, to certain exceptions):

repurchase, redeem or otherwise acquire or split, combine, reclassify or amend the terms of any of the Company s securities or equity equivalents;

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increase or accelerate the vesting, payment or exercise of the compensation or benefits payable or available, including under any stock option, restricted stock, phantom, or other equity-based plan, to any current or former employee or other service provider;

transfer or create or suffer to exist any liens on the direct or indirect equity in certain subsidiaries or amend, modify, extend or waive the terms of any warrant, option or other right in favor of a third party to acquire any direct or indirect equity in Oceanica;

declare, set aside, make or pay any dividends or other distributions with respect to shares of their respective capital stock;

propose or adopt any amendment to its certificate of incorporation, articles of association, bylaws or other organizational documents, as applicable;

fail to maintain insurance consistent with past practice to the extent available on commercially reasonable terms;

amend, modify or waive any term or provision of specified agreements;

commence a voluntary case or other proceeding seeking liquidation, reorganization with respect to itself or its debts under any bankruptcy, insolvency or other similar law or permit such a case or proceeding to be commenced; or

authorize, or agree or announce any intention to take, any of the foregoing actions.

Other Covenants and Agreements

Proxy Statement; Stockholder Meeting. The Company is required pursuant to the Purchase Agreement to take all action necessary to duly call, give notice of, convene and hold a meeting of its stockholders for the purpose of obtaining the Company s stockholders approval of Proposal 1 through Proposal 3. The Company may only adjourn or postpone the stockholder meeting to the extent necessary to ensure that any required supplement or amendment to this proxy statement is provided to the stockholders or, if as of the time for which the stockholder meeting is originally scheduled, there are insufficient shares of common stock represented (either in person or by proxy) to constitute a quorum necessary to conduct business at such meeting.

Alternative Proposals. The Purchase Agreement contains certain restrictions, subject to certain exceptions described below, on the Company s ability to initiate, solicit or knowingly encourage or facilitate an alternative acquisition proposal, to participate in any discussions or negotiations regarding an alternative acquisition proposal, or to enter into any acquisition agreement, merger agreement or similar definitive agreement, or any letter of intent, memorandum of understanding or agreement in principle, or any other agreement relating to an alternative acquisition proposal. These restrictions will continue until the earlier to occur of the termination of the Purchase Agreement pursuant to its terms and the time at which the Initial Closing occurs. Notwithstanding this limitation, prior to the time stockholder

approval is obtained, the Company may under certain circumstances provide information to third parties and participate in discussions and negotiations with respect to any unsolicited alternative acquisition proposal that the Company s Board of Directors has determined constitutes or could reasonably be expected to result in a Superior Proposal (which is generally defined to refer to a bona fide written acquisition proposal that the Board of Directors determines, in its good faith judgment, after consultation with its outside legal counsel and financial advisor, is (a) more favorable to the Company s stockholders from a financial point of view than the transactions contemplated by the Purchase Agreement, taking into account all of the terms and conditions of acquisition proposal (including any conditions to any related financing), and (b) is reasonably likely of being completed in a timely manner in accordance with its terms.

Investigations and Access. Subject to certain exceptions and limitations, the Company must afford to the Investor and to its representatives reasonable access during normal business hours, during the period prior to the Initial Closing Date, to the officers, employees, properties, offices, facilities and books and records of the Company and its subsidiaries and permit the Investor and its representatives to conduct such further examination or investigation of the assets, liabilities, business, operations, properties, offices and books and records of the Company and its subsidiaries, as the Investor may reasonably request.

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Certain Filings; Commercially Reasonable Efforts. Each of the Company and the Investor must use its commercially reasonable efforts to take, or to cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable under applicable laws and regulations or otherwise to consummate the transactions contemplated by the Purchase Agreement as promptly as practicable, including using commercially reasonable efforts with respect to:

- timely making all filings with, and timely seeking all consents, permits, authorizations or approvals from, governmental agencies as necessary or appropriate to consummate the transactions contemplated by the Purchase Agreement;
- ensuring that the conditions with respect to the Initial Closing are satisfied and to consummate the Initial Closing as soon as reasonably possible;
- taking, or causing to be taken, all actions necessary, proper or advisable to obtain all consents and provide all notices required in connection with the transactions contemplated by the Purchase Agreement under any contracts to which the Company or the Investor is a party or by which its assets or properties are bound; and
- the defending of any lawsuits or other legal proceedings, whether judicial or administrative, challenging any of the transactions contemplated by the Purchase Agreement.

Other Covenants. The Purchase Agreement contains additional agreements between the Company and the Investor relating to, among other matters:

- certain fair price, moratorium, business combination or control share acquisition statute or other similar statute or regulation that is or may become applicable to the transactions contemplated by the Purchase Agreement;
- the filing of an amendment to the articles of incorporation of Oceanica;
- an amendment to the Company s 2015 stock incentive plan; and
- the Company s use of the proceeds from the Initial Closing.

Conditions to the Initial Closing

The obligation of each of the Company and the Investor to consummate the Initial Closing is subject to the satisfaction of the following conditions:

the Company s stockholders shall have approved Proposal 1 through Proposal 3 by the requisite vote;

the absence of any judgment, writ, decree, injunction, or order of any governmental agency or other law enjoining or prohibiting the consummation of the transactions contemplated by the Purchase Agreement;

the Certificate of Amendment shall have been filed;

no change of control of or insolvency event with respect to the Company shall have occurred; and

the Purchase Agreement shall not have been terminated.

The obligation of the Investor to consummate the Initial Closing is also subject to the satisfaction of the following conditions:

(i) the representations and warranties of the Company with respect to organization, existence and good standing, authorization, absence of conflicts or violations, governmental consents and approvals, capitalization and voting rights, Oceanica, the Company s SEC reports, financial statements, and undisclosed liabilities, anti-corruption and anti-money laundering laws, the offering of securities, the

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opinion of the company s financial advisor, and certain provisions of Nevada law shall be true and correct in all material respects on and as of the Initial Closing Date as though such representations and warranties were made anew on and as of the Initial Closing Date, except to the extent such representations and warranties expressly relate to an earlier date, in which case as of such earlier date; and (ii) all other representations and warranties of the Company shall be true and correct (without regard to any materiality or material adverse effect qualifications contained in them) on and as of the Initial Closing Date as though such representations and warranties were made anew on and as of the Initial Closing Date, except to the extent such representations and warranties expressly relate to an earlier date, in which case as of such earlier date, and except as would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the Company;

the Company shall have complied in all material respects with its covenants contained in the Purchase Agreement to be complied with prior to the Initial Closing Date;

holders of greater than 5% of the Company s outstanding common stock shall not have exercised (or notified the Company of their intention to exercise) appraisal rights in connection with the transactions contemplated by the Purchase Agreement, and there shall not be pending any proceeding seeking damages from the Company or any person indemnified by the Company based upon, or arising out of, the transactions contemplated by the Purchase Agreement;

since September 30, 2014, there shall not have been any act, event or occurrence that has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on the Company;

the common stock issuable upon conversion of the Class AA Preferred Stock shall have been approved for listing on NASDAQ;

the Company shall have delivered to the Investor a certificate, signed by an executive officer of the Company, certifying the matters above;

the Company shall have received and delivered to the Investor copies of certain third party consents;

the Investor shall have received the consent of certain of its parent entity s creditors, and such consents shall be satisfactory to the Investor in its sole discretion; and

the Investor shall, in its sole discretion, be satisfied with the viability of the Don Diego Project.

The obligation of the Company to consummate the Initial Closing is also subject to the satisfaction of the following conditions:

the representations and warranties of the Investor shall be true and correct (without regard to any materiality or material adverse effect qualifications contained in them) on and as of the Initial Closing Date as though such representations and warranties were made anew on and as of the Initial Closing Date, except to the extent such representations and warranties expressly relate to an earlier date, in which case as of such earlier date, and except as would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the Investor;

the Investor shall have complied in all material respects with its covenants contained in the Purchase Agreement to be complied with prior to the Initial Closing Date; and

the Investor shall have delivered to the Company a certificate, signed by an executive officer of the Investor, certifying the matters above.

Conditions to the Subsequent Closings Closing

The obligation of each of the Company and the Investor to consummate each Subsequent Closing is subject to the satisfaction of the following conditions:

the absence of any judgment, writ, decree, injunction, or order of any governmental agency or other law enjoining or prohibiting the consummation of the transactions contemplated by the Purchase Agreement;

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no change of control of or insolvency event with respect to the Company shall have occurred;

the Purchase Agreement shall not have been terminated; and

specified governmental agency approvals, notifications, waiting periods and conditions, to the extent required to consummate such Subsequent Closing, shall have been obtained, complied with and/or satisfied.

The obligation of the Investor to consummate such Subsequent Closing is also subject to the satisfaction of the following conditions:

(i) the representations and warranties of the Company with respect to organization, existence and good standing, authorization, capitalization and voting rights, the Company s SEC reports, financial statements, and undisclosed liabilities, anti-corruption and anti-money laundering laws, and the offering of securities, as though such representations and warranties were made anew on and as of such Subsequent Closing, except to the extent such representations and warranties expressly relate to an earlier date, in which case as of such earlier date; and (ii) all other representations and warranties of the Company shall be true and correct (without regard to any materiality or material adverse effect qualifications contained in them) on and as of such Subsequent Closing as though such representations and warranties were made anew on and as of such Subsequent Closing Date, except to the extent such representations and warranties expressly relate to an earlier date, in which case as of such earlier date, and except as would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the Company;

the Company shall have complied in all material respects with its covenants contained in the Purchase Agreement to be complied with prior to such Subsequent Closing Date;

there shall not be pending any proceeding seeking damages from the Company or any person indemnified by the Company based upon, or arising out of, the transactions contemplated by the Purchase Agreement;

since September 30, 2014, there shall not have been any act, event or occurrence that has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on the Company;

trading in the Company s common stock shall not have been suspended by NASDAQ;

the Company shall have delivered to the Investor a certificate, signed by an executive officer of the Company, certifying the matters above;

the Company shall have received and delivered to the Investor copies of certain third party consents;

the Investor shall have received the consent of certain of its parent entity s creditors, and such consents shall be satisfactory to the Investor in its sole discretion; and

the Investor shall, in its sole discretion, be satisfied with the viability of the Don Diego Project.

The obligation of the Company to consummate such Subsequent Closing is also subject to the satisfaction of the following conditions:

the representations and warranties of the Investor shall be true and correct (without regard to any materiality or material adverse effect qualifications contained in them) on and as of such Subsequent Closing Date as though such representations and warranties were made anew on and as of such Subsequent Closing Date, except to the extent such representations and warranties expressly relate to an earlier date, in which case as of such earlier date, and except as would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the Investor;

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the Investor shall have complied in all material respects with its covenants contained in the Purchase Agreement to be complied with prior to such Subsequent Closing Date; and

the Investor shall have delivered to the Company a certificate, signed by an executive officer of the Investor, certifying the matters above.

Termination

The Purchase Agreement may be terminated and the transactions contemplated thereby may be abandoned prior to the Initial Closing as follows:

by mutual written consent of the Company and the Investor;

by the Investor or the Company, by written notice to the other, if:

there shall be any final and non-appealable judgment, writ, decree, injunction, or order, which prohibits or restrains the Investor and/or the Company from consummating the Initial Closing or any of the other transactions contemplated by the Purchase Agreement; or

following the Stockholder Meeting, if the Company s stockholders shall have failed to approve Proposal 1 through Proposal 3; or

by the Company, by written notice to the Investor, if:

at any time prior to receipt of the stockholder approval, the Board of Directors has determined to enter into an alternative acquisition agreement with respect to a Superior Proposal; provided that the Company shall not be entitled to terminate the Purchase Agreement in such event unless the Company has complied with specified requirements of the Purchase Agreement and concurrently with such termination, the Company pays the specified termination fee; or

at any time, after September 30, 2015, provided that the Company s right to terminate after such date shall not be available if the Company s breach or failure to perform any of its representations, warranties, covenants or agreements set forth in the Purchase Agreement has been a principal cause of, or resulted in, the failure of the Initial Closing to take place on or before such date; or

by the Investor, by written notice to the Company, if:

prior to obtaining the approval of the Company s stockholders at the stockholder meeting, the Board of Directors changes, withholds, withdraws, qualifies or modifies, in a manner adverse to the Investor, its recommendation;

at any time, the Company shall have breached or failed to perform any of its representations, warranties, covenants or other agreements contained in the Purchase Agreement such that the conditions with respect to the Initial Closing would not be satisfied and either (a) such breach is not reasonably capable of being cured or (b) in the case of a breach of a covenant or agreement, if such breach is reasonably capable of being cured, such breach shall not have been cured prior to the earlier of (i) twenty (20) days following notice of such breach and (ii) July 9, 2015;

at any time, if the Investor, in its sole discretion, determines that it is not satisfied with the consent of its creditors and with viability of the Don Diego Project;

at any time after July 9, 2015, provided that the Investor s right to terminate the Purchase Agreement shall not be available if the Investor s breach or failure to perform any of its representations, warranties, covenants or agreements set forth in the Purchase Agreement has been a principal cause of, or resulted in, the failure of the Initial Closing to take place on or before such date; or

at any time, if the condition to the Initial Closing relating to the resignation of two of the Company s directors has not been satisfied, and the other conditions to the Initial Closing, other than those that by their terms are to be satisfied at the Initial Closing, have been satisfied or are reasonably capable of being satisfied if the Initial Closing were to occur at such time.

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Termination Fees

The Company will pay the Investor a termination fee of $4.0 million in the event that:

the Purchase Agreement is terminated by the Company because the Board of Directors has determined to enter into an alternative acquisition agreement with respect to a Superior Proposal;

the Purchase Agreement is terminated by the Investor because, prior to obtaining the approval of the Company s stockholders at the stockholder meeting, the Board of Directors changes, withholds, withdraws, qualifies or modifies, in a manner adverse to the Investor, its recommendation;

the Purchase Agreement is terminated by the Investor because the Company shall have breached or failed to perform any of its representations, warranties, covenants or other agreements contained in the Purchase Agreement such that the conditions with respect to the Initial Closing would not be satisfied and either (a) such breach is not reasonably capable of being cured or (b) in the case of a breach of a covenant or agreement, if such breach is reasonably capable of being cured, such breach shall not have been cured prior to the earlier of (i) twenty (20) days following notice of such breach and (ii) July 9, 2015;

(a) the Purchase Agreement is terminated (i) by the Company because the Initial Closing has not occurred by September 30, 2015, so long as the Company s breach or failure to perform any of its representations, warranties, covenants or agreements set forth in the Purchase Agreement has not been a principal cause of, or resulted in, the failure of the Initial Closing to take place on or before such date, (ii) by the Company or the Investor because the meeting of the Company s stockholders has concluded and the approval of the proposal to adopt and approve the Purchase Agreement by the required vote of the stockholders has not been obtained or (iii) by the Investor because the Initial Closing has not occurred by July 9, 2015, so long as the Investor s breach or failure to perform any of its representations, warranties, covenants or agreements set forth in the Purchase Agreement has not been a principal cause of, or resulted in, the failure of the Initial Closing to take place on or before such date; (b) the Company or any other person shall have publicly disclosed or announced an acquisition proposal on or after the date of the Purchase Agreement but prior to the date of termination of the Purchase Agreement; and (c) within twelve months of such termination, the Company enters into a definitive agreement with respect to an acquisition proposal or an acquisition proposal is consummated (in each case whether or not the acquisition proposal was the same acquisition proposal referred to in clause (b)) except that for purposes of this clause (c), the references to 15% in the definition of acquisition proposal shall be deemed references to 50% ; or

the Purchase Agreement is terminated by the Investor because the condition to the Initial Closing relating to the resignation of two of the Company s directors has not been satisfied, and the other conditions to the Initial Closing, other than those that by their terms are to be satisfied at the Initial Closing, have been satisfied or are reasonably capable of being satisfied if the Initial Closing were to occur at such time.

Fees, Costs and Expenses

Upon the first to occur of the Initial Closing Date and termination of the Purchase Agreement, the Company will reimburse the Investor for its and its affiliates reasonable, out-of-pocket expenses incurred in connection with the transactions contemplated by the Purchase Agreement. Except as expressly provided otherwise in the Purchase Agreement or any other transaction document, all fees, costs and expenses incurred in connection with the Purchase Agreement and the other transaction documents and the transactions contemplated thereby shall be paid by the party incurring such fees, costs and expenses, whether or not the contemplated transactions are consummated. In the event of termination of the Purchase Agreement or any other transaction document, the obligation of each party to pay its own fees, costs and expenses will be subject to any rights of such party arising from a breach of the Purchase Agreement or any other transaction document by any other party.

Loans

Subject to the terms set forth in the Purchase Agreement, MINOSA agreed to provide the Company, through a subsidiary of the Company, with loans of up to $14.75 million, the outstanding amount of which, plus accrued interest, will be repaid from the proceeds from the sale of the shares of Series AA-1 Preferred Stock at the initial closing. MINOSA loaned the company $2.0 million upon the signing of the Purchase Agreement and $6.0 million on or about March 31, 2015. Additional loans will be made according to the following schedule, subject to the satisfaction or waiver of specified conditions set forth in the Purchase Agreement:

Date	Loan Amount
April 30, 2015	$ 3,000,000
May 31, 2015	$ 2,000,000
June 30, 2015	$ 1,750,000

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The obligation to repay the loans is evidenced by a promissory note (as amended, the Note) in the amount of up to $14.75 million and bears interest at the rate of 8.0% per annum, and, pursuant to a pledge agreement (the Pledge Agreement) between MINOSA and Odyssey Marine Enterprises Ltd., an indirect, wholly owned subsidiary of the Company (OME), is secured by a pledge of 54.0 million shares of Oceanica Resources S. de R.L., a Panamanian limitada (Oceanica), held by OME. The Note matures and all amounts borrowed thereunder and principal thereon are due and payable on September 30, 2015, or, if the Purchase Agreement is terminated by the Investor under specified circumstances, on the date of such termination or March 30, 2016. The Purchase Agreement contemplates that the amounts due under the Note as of the Initial Closing Date will be cancelled, and the purchase price for the Series AA-1 shares acquired at the Initial Closing will be correspondingly reduced.

Certificate of Designation of Class AA Preferred Stock

Pursuant to a certificate of designation (the Designation) to be filed with the Nevada Secretary of State, each share of Series AA-1 Preferred Stock and Series AA-2 Preferred Stock (collectively, the Class AA Preferred Stock) will be convertible into one share of common stock at any time and from time to time at the election of the holder. Each share of Class AA Preferred Stock will rank pari passu with all other shares of Class AA Preferred Stock and senior to shares of common stock and all other classes and series of junior stock. If the Company declares a dividend or makes a distribution to the holders of common stock, the holders of the Class AA Preferred Stock will be entitled to participate in the dividend or distribution on an as-converted basis.

Each share of Class AA Preferred Stock shall entitle the holder thereof to vote, in person or by proxy, at any special or annual meeting of stockholders, on all matters voted on by holders of common stock, voting together as a single class with other shares entitled to vote thereon. So long as a majority of the shares of the Class AA Preferred Stock are outstanding, the Company may not, without the approval of the holders of a majority of the outstanding shares of Class AA Preferred Stock:

amend, alter, modify or repeal the Designation or the Company s organizational documents or amend the organizational documents of any of the Company s material subsidiaries;

create, or authorize the creation of, any additional class or series of capital stock of the Company (or any security convertible into or exercisable for any class or series of capital stock of the Company) or issue or sell, or obligate itself to issue or sell, any securities of the Company or any of the Company s material subsidiaries (or any security convertible into or exercisable for any class or series of capital stock of the Company or any of the Company s material subsidiaries), including any class or series of capital stock of the Company that ranks superior to or in parity with the Class AA Preferred Stock in rights, preferences or privileges;

issue any shares of Class AA Preferred Stock other than pursuant to the Purchase Agreement;

approve or consummate any change of control, merger, or other business combination, or liquidation, winding up, or bankruptcy involving the Company (or any of its material subsidiaries), or sell all or substantially all of the Company s consolidated assets or all or substantially all of the equity in, or assets of, any of the Company s material subsidiaries;

transfer any equity in Oceanica or any equity in any of the Company s subsidiaries that directly or indirectly owns any equity in Oceanica, other than pursuant to specified agreements, or amend or consent to the amendment of the articles of incorporation or member agreement of Oceanica;

incur any indebtedness, or guarantee the indebtedness, liabilities or obligations of any other person, in an amount in the aggregate greater than $10,000,000;

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make any single or series of related acquisitions or dispositions during any twelve-month period that, individually or in the aggregate, exceed $10,000,000;

redeem, purchase, acquire, retire or repurchase any equity or rights to acquire equity in the Company or any of its subsidiaries, other than (A) the acquisition of options or common stock upon the net exercise of any options for common stock; or (B) the purchase equity from former employees upon the termination of their employment;

issue any equity or rights to acquire equity as compensation to employees since January 1, 2015, in excess of 433,887 shares of common stock;

engage in any transaction with any affiliates of the Company (including affiliates of family members of such affiliates), either (a) in an amount greater than $50,000, other than compensation approved by the Company s Board of Directors, or (b) other than on an arms -length basis;

approve, enter into, modify, amend or terminate any employment agreement with, or consummate any employment agreement involving, the chief executive officer, chief operating officer, or chief financial officer of the Company, whether or not the person in question holds such title; or

agree or commit to do any of the foregoing.

In the event of the liquidation of the Company, each holder of shares of Class AA Preferred Stock then outstanding shall be entitled to be paid, out of the assets of the Corporation available for distribution to its stockholders, an amount in cash equal to the greater of (a) the amount paid to the Company for such holder s shares of Class AA Preferred Stock, plus an accretion thereon of 8.0% per annum, compounded annually, and (b) the amount such holder would be entitled to receive had such holder converted such shares of Class AA Preferred into common stock immediately prior to such time at which payment will be made or any assets distributed.

Stockholder Agreement

The Purchase Agreement provides that, at the Initial Closing, the Company and the Investor will enter into a stockholder agreement (the Stockholder Agreement). The Stockholder Agreement will provide that (a) in connection with each meeting of the Company s stockholders at which directors are to be elected, the Company will (i) nominate for election as members of the Company s Board of Directors a number of individuals designated by the Investor (Investor Designees) equivalent to the Investor s proportionate ownership of the Company s voting securities (rounded up to the next highest integer) less the number of Investor Designees who are members of the Board of Directors and not subject to election at such meeting, and (ii) use its reasonable best efforts to cause such nominees to be elected to the Board of Directors; (b) the Company will cause one of the Investor Designees to serve as a member of (or at such Investor Designee s election, as an observer to) each committee of the Company s Board of Directors; and (c) each Investor Designee shall have the right to enter into an indemnification agreement with the Company (an Indemnification Agreement) pursuant to which such Investor Designee is indemnified by the Company to the fullest extent allowed by Nevada law if, by reason of his or her serving as a director of the Company, such Investor Designee is a party or is threatened to be made a party to any proceeding or by reason of anything done or not done by such Investor Designee in his or her capacity as a director of the Company. In addition, the Stockholders Agreement

provides that two of the Investor Designees shall serve on the governing body of Oceanica.

The Stockholder Agreement will provide the Investor with pre-emptive rights with respect to certain equity offerings of the Company and restricts the Company from selling equity securities until the Investor has purchased all the Class AA Preferred Stock or no longer has the right or obligation to purchase any of the Class AA Preferred Stock. The Stockholder Agreement will also provide the Investor with certain first look rights with respect to certain mineral deposits discovered by the Company or its subsidiaries. Pursuant to the Stockholder Agreement, the Company will grant the Investor certain demand and piggy-back registration rights, including for shelf registrations, with respect to the resale of the shares of common stock issuable upon conversion of the Class AA Preferred Stock.

Voting Agreement

Concurrently with the execution of the Purchase Agreement, each of the Company s executive officers and directors, who hold in the aggregate approximately 5.5% of the Company s issued and outstanding shares of

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common stock have entered into a voting agreement (the Voting Agreement) with the Investor pursuant to which they have agreed to vote their shares in favor of the Transaction Proposal, the Articles Amendment Proposal, and other reasonable and related matters put before the stockholders of the Company.

Oceanica Call

Concurrently with the execution of the Purchase Agreement, OME and MINOSA entered into a call option agreement (as amended, the Oceanica Call), pursuant to which OME granted MINOSA an option to purchase the 54.0 million shares of Oceanica held by OME for an exercise price of $40.0 million at any time during the one-year period after the Oceanica Call was executed and delivered by the parties. The Oceanica Call will terminate if the Investor elects to terminate the Purchase Agreement under specified circumstances. If the Investor elects to terminate the Purchase Agreement under other specified circumstances, the exercise price of the Oceanica Call will be reduced to $20.0 million and the exercise period will be extended by one year.

Opinion of Hyde Park Capital Advisors, LLC

On November 28, 2014, the Special Committee, on behalf of the Company, retained Hyde Park Capital Advisors, LLC to provide a fairness opinion with respect to the transactions contemplated by the Purchase Agreement. The factors considered by the Special Committee in selecting Hyde Park Capital included its independence, experience and expertise rendering fairness opinions, existing familiarity with the Company s business and operations, reputation, and proposed staffing for the project.

At the meeting of the Board on March 9, 2015, Hyde Park Capital rendered its oral opinion to the Board that, as of such date and based upon and subject to the factors and assumptions set forth in such opinion, the consideration to be received by the Company pursuant to the Purchase Agreement was fair, from a financial point of view, to the stockholders of the Company. Hyde Park Capital confirmed its March 9, 2015 oral opinion by delivering its written opinion to the Board, dated as of the same date, that, as of such date, the consideration to be received by the Company pursuant to the Purchase Agreement was fair, from a financial point of view, to the stockholders of the Company.

On March 9, 2015, after the meeting of the Board, MINOSA s counsel informed counsel to the Company that MINOSA was not willing to proceed with the transaction with the price of the Series AA-1 Preferred Stock being $6.60 per share (approximately $111.0 million in the aggregate), which represented an approximate 100% premium to the closing market price on the preceding trading day, but that it would be willing to proceed with a price of $5.70 per share of Series AA-1 Preferred Stock (approximately $96.0 million in the aggregate). On March 10, 2015, after further discussions, the parties agreed to proceed with the price of the Series AA-1 Preferred Stock being $6.00 per share (approximately $101.0 million in the aggregate). Later on March 10, 2015, the Company advised Hyde Park Capital of the reduction in the price for the Series AA-1 Preferred Stock, and Hyde Park Capital delivered its updated written opinion to the Board, dated as of the same date, that, as of such date, the consideration to be received by the Company pursuant to the Purchase Agreement was fair, from a financial point of view, to the stockholders of the Company.

Prior to its retention, Hyde Park Capital had no material relationship with the Company or any of its affiliates. No limitations were imposed by the Board or the Special Committee upon Hyde Park Capital with respect to the investigations made or procedures followed by it in rendering its opinion. Our Board of Directors relied on Hyde Park Capital s opinion in part in approving the transactions contemplated by the Purchase Agreement.

In connection with its opinion, Hyde Park Capital made such reviews, analyses and inquiries as it deemed necessary and appropriate under the circumstances. Among other things, Hyde Park Capital:

reviewed the Purchase Agreement and other related transaction documents;

reviewed certain publicly available business and financial information relating to the Company;

reviewed certain other information relating to the Company provided to or discussed with Hyde Park Capital by the Company, including (a) financial forecasts relating to the Company, (b) certain non-public interim financial statements, and (c) certain industry and business information thereto prepared by the management of the Company;

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discussed the past and present operations and financial condition and the prospects of the Company with its senior executives;

reviewed and compared the multiples, margins, and growth rates and compared that data with similar data for other publicly held companies in businesses Hyde Park Capital deemed relevant in evaluating the Company;

considered, to the extent publicly available, the financial terms of certain other merger or acquisition transactions, which Hyde Park Capital deemed to be relevant, which have been effected or announced; and

considered such other information and performed such other financial studies, analyses and investigations and financial, economic and market criteria that Hyde Park Capital deemed relevant for purposes of its opinion.

In preparing its opinion, Hyde Park Capital relied upon and assumed the accuracy and completeness of all of the financial, accounting, legal, tax, and other information reviewed by it, and Hyde Park Capital did not assume any responsibility for the independent verification of, nor did Hyde Park Capital independently verify, any of such information. With respect to the financial forecasts provided to or discussed with Hyde Park Capital by the Company s management and the unaudited financial statements and other financial information prepared and provided to Hyde Park Capital by the Company s management, Hyde Park Capital assumed that they were reasonably prepared in good faith on a basis reflecting the best currently available estimates and judgments of the Company s management. Hyde Park Capital assumed no responsibility for the assumptions, estimates and judgments on which such forecasts and interim financial statements and other financial information were based. In addition, Hyde Park Capital was not requested to make, and did not make, an independent evaluation or appraisal of the Company s assets or liabilities (contingent, derivative, off-balance sheet or otherwise), nor was Hyde Park Capital furnished with any such evaluations or appraisals. With regard to the information provided to Hyde Park Capital by the Company, Hyde Park Capital relied upon the assurances of the members of the Company s management that they were unaware of any facts or circumstances that would make such information materially incomplete or misleading. Hyde Park Capital also assumed that there had been no material change in the Company s assets, liabilities, business, condition (financial or otherwise), results of operations or prospects since the date of the most recent financial statements made available to Hyde Park Capital. Hyde Park Capital also assumed that in the course of obtaining any necessary regulatory and third party consents, approvals and agreements for the transactions contemplated by the Purchase Agreement, no modification, delay, limitation, restriction or condition would be imposed that will have an adverse effect on Company, or the transactions contemplated by the Purchase Agreement, and that such transactions would be consummated in accordance with the terms of the Purchase Agreement, without waiver, modification or amendment of any term, condition or agreement therein that is material to Hyde Park Capital s analysis. Representatives of the Company advised Hyde Park Capital, and Hyde Park Capital further assumed, that the final terms of the Purchase Agreement would not vary materially from those set forth in the draft reviewed by Hyde Park Capital. Hyde Park Capital s opinion was necessarily based on financial, economic, market and other conditions as they existed on and the information made available to Hyde Park Capital as of March 10, 2015. Although subsequent developments may affect its opinion, Hyde Park Capital has no obligation to update, revise or reaffirm its opinion. Hyde Park Capital made each of the assumptions set forth above with the consent of the Board.

Hyde Park Capital s opinion was for the use and benefit of the Board in connection with the transactions contemplated by the Purchase Agreement. Hyde Park Capital s opinion may not be used by any other persons for any other purpose

and was not intended to and did not confer any rights or remedies upon any other person. Hyde Park Capital s opinion should not be construed as creating any fiduciary duty on the part of Hyde Park Capital to the Company, the Board, the Special Committee, the Company s stockholders or any other party. Hyde Park Capital s opinion only addressed the fairness from a financial point of view of the consideration to be received by the Company pursuant to the Purchase Agreement in the transactions contemplated by the Purchase Agreement and did not address any other terms, aspects or implications of such transactions or any agreements, arrangements or understandings entered into in connection with such transactions or otherwise. In addition, Hyde Park Capital s opinion did not address the relative merits of the transactions contemplated by the Purchase Agreement as compared to other transaction structures, transactions or business strategies that may have been available to the Company, the Board, or the Company s stockholders, nor did it address or constitute a recommendation regarding the decision of the Board to enter into the Purchase Agreement or to engage in the transactions contemplated by the Purchase

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Agreement. Hyde Park Capital s opinion had been authorized for issuance by the Fairness Opinion Committee of Hyde Park Capital. Hyde Park Capital s opinion did not constitute advice or a recommendation to any stockholder of the Company as to how such person or entity should vote or act on any other matter relating to the transactions contemplated by the Purchase Agreement. Hyde Park Capital expressed no opinion about the amount or nature of the compensation to the Company s officers, directors or employees, or class of such persons, in connection with the transactions contemplated by the Purchase Agreement relative to the consideration in such transactions.

The following is a summary of the material financial analyses performed by Hyde Park Capital in connection with Hyde Park Capital s opinion dated March 10, 2015. The order of analyses does not represent relative importance or weight given to those analyses by Hyde Park Capital. The financial analyses summarized below include information presented in tabular format. In order to fully understand Hyde Park Capital s financial analyses, the tables must be read together with the text of each summary.

The tables alone do not constitute a complete description of the financial analyses. Considering the data in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying and the qualifications and evaluations affecting the analyses, could create a misleading or incomplete view of Hyde Park Capital s financial analyses.

Discounted Cash Flow Analysis

Hyde Park Capital conducted a discounted cash flow analysis for the purpose of determining the fully diluted equity value per share for the Company s common stock. A discounted cash flow analysis is a method of evaluating an asset using estimates of the future unlevered free cash flows generated by the asset and taking into consideration the time value of money with respect to those future cash flows by calculating their present value. Present value refers to the current value of one or more future cash payments from the asset, which is referred to as that asset s cash flows, and is obtained by discounting those cash flows back to the present using a discount rate that takes into account macroeconomic assumptions and estimates of risk, the weighted cost of capital, capitalized returns and other appropriate factors. Terminal value refers to the capitalized value of all cash flows from an asset for periods beyond the final forecast period.

For purposes of estimating the Company s unlevered free cash flows, Hyde Park Capital determined, based upon its experience and expertise, that it was appropriate to separately estimate the future unlevered free cash flows generated by the Company s shipwreck business and the Company s deep-sea mining business, and then combine the estimates. Hyde Park Capital calculated the unlevered free cash flows that the Company is expected to generate during the time period from 2015 through 2024 for (a) the Company s shipwreck business, on the basis of Shipwreck Case 1 and Shipwreck Case 2, and (b) the Company s deep-sea mining business, on the basis of DSM Case 1 and DSM Case 2. Each of these cases is discussed in more detail below under *Assumptions Underlying Cases*.

Hyde Park Capital also calculated a range of terminal asset values of (a) the Company s shipwreck business, by (i) multiplying the projected cash flow of the business in 2023 by the long-term cash flow growth rate of the business plus 1.0%, then dividing the product thereof by (ii) the difference between the weighted average cost of capital of the business and the long-term cash flow growth rate of the business; and (b) the Company s deep-sea mining business, by (i) multiplying the projected cash flow of the business in 2024 by the long-term cash flow growth rate of the business plus 1.0%, then dividing the product thereof by (ii) the difference between the weighted average cost of capital of the business and the long-term cash flow growth rate of the business. The unlevered free cash flows and the range of terminal asset values were then discounted to present values using a range of discount rates from (a) for the Company s shipwreck business, from 22.8% to 30.8%, and (b) for the Company s deep-sea mining business, from 21.8% to 29.8%. Hyde Park Capital arrived at the discount rate ranges in the foregoing sentence by analyzing the weighted average cost

of capital for the capital structures of the companies set forth below:

For the Company s shipwreck business:

Endurance Exploration Group, Inc.

Seafarer Exploration Corp.

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For the Company s deep-sea mining business:

Nautilus Minerals, Inc.

FX Energy, Inc.

Arianne Phosphate, Inc.

Chatham Rock Phosphate Ltd.

BPZ Resources, Inc.

The present value of the unlevered free cash flows and the range of terminal asset values were then adjusted for the Company s debt as of December 31, 2014 (as provided by the Company s management).

A summary of the implied valuation ranges of the common stock that Hyde Park Capital derived from such analyses is set forth below. All amounts in the following table are expressed in millions, except for per share data, which is presented without giving effect to the one-for-six stock split contemplated by Proposal 3(b).

Shipwreck Analysis:	**Enterprise Value**	**Equity Value**
Case 1	$ 0.2 - $ 8.0	$ 0.0 - $ 0.0
Case 2	75.0 - 91.7	51.7 - 68.4
Average	37.6 - 49.8	25.9 - 34.2

Deep-Sea Mining Analysis:	**Enterprise Value**	**Equity Value**
Case 1	$16.6 - $ 35.7	$ 2.0 - $11.7
Case 2	94.0 - 181.9	41.3 - 86.0
Average	55.5 - 108.8	21.6 - 48.8

	Enterprise Value	**Equity Value**	**Price per Share**
Combined average enterprise value Case 1	$ 16.8 - $43.7	$ 2.0 - $ 11.7	$0.02 - $0.12
Combined average enterprise value Case 2	169.0 - 273.5	93.0 - 154.3	0.92 - 1.53
Combined average enterprise value	92.9 - 158.6	47.5 - 83.0	0.47 - 0.82

Assumptions Underlying Cases

As noted above, Hyde Park Capital calculated the unlevered free cash flows that the Company is expected to generate during the time period from 2015 through 2024 based upon two cases for the Company s shipwreck business and two cases for the Company s deep-sea mining business. The following tables summarize the assumptions used by Hyde Park Capital in each of the cases. All dollar amounts in the following tables are expressed in millions, except per ton data.

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Shipwreck Business

	Case 1	Case 2
Revenue	$14.5 in 2015 $14.0 from Project X $0.5 from SS Republic $32.5 per year for 2016-2024 $40.0 of gross value recovered (average of 2011-2013) 80.0% of recoveries monetized $0.5 from SS Republic through 2024	14.5 in 2015 $14.0 from Project X $0.5 from SS Republic $106.5 Monetized from Project X in 2016 and 2017 Additional $0.5 from SS Republic $32.5 per year for 2016-2024 $40.0 of gross value recovered (average of 2011-2013) 80.0% of recoveries monetized $0.5 from SS Republic through 2024
Operations and Research	Monthly cost of $1.1 for vessel Ship support of $4.0 per year Lease of vessel every other year for $9.0 per year $3.0 per month for three months	Monthly cost of $1.1 for vessel Ship support of $4.0 per year Lease of vessel every other year for $9.0 per year $3.0 per month for three months
Marketing, general and administrative	$7.0 per year through 2024	$7.0 per year through 2024
CAPEX	$4.0 in 2015 for new equipment $2.0 per year maintenance CAPEX through 2014 New ROV purchased in 2020 for $2.0	$4.0 in 2015 for new equipment $2.0 per year maintenance CAPX through 2014 New ROV purchased in 2020 for $2.0
Depreciation and amortization	$2.5 per year	$2.5 per year

Deep-Sea Mining Business

	Case 1	Case 2
Revenue	Stand-alone filler market (rock concentrate production)	Stand-alone filler market (rock concentrate production)
	Low end of concentration range	Low end of concentration range
	Worldwide market of 30.0 million tons per year	Worldwide market of 30.0 million tons per year
	Sales price of $80.00 per ton	Sales price of $100.00 per ton
	Projecting less demand for low concentrate product	Three-year revenue ramp up due to certain administrative requirements
	500,000 tons in 2018	1.0 million tons in 2018
	1.0 million tons in 2019	2.0 million tons in 2019
	1.5 million tons for 2020-2024	3.0 million tons for 2020-2024
	Not projecting future tenements based upon funding requirements	Not projecting future tenements based upon funding requirements
Cost of Goods Sold	$50.0 per ton	$50.0 per ton
	$5.0 million engineering fee in 2016	$5.0 million engineering fee in 2016
Selling, general and administrative	Selling expense of 7.0% of revenue including tenement renewal	Selling expense of 7.0% of revenue including tenement renewal
	General and administrative of $3.0 million through 2024	General and administrative of $3.0 million through 2024
CAPEX	None	None
Depreciation and amortization	None	None
NWC	2.0% of revenue	2.0% of revenue

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Premium Paid Analysis

Hyde Park Capital analyzed the purchase price per share to be paid by the Investor for the shares of Series AA-1 Preferred Stock and the shares of Series AA-2 Preferred Stock pursuant to the Purchase Agreement compared to the closing price of the Company s common stock on March 9, 2015 (the last trading day before Hyde Park Capital rendered its fairness opinion on March 10, 2015), the closing price of the Company s common stock on various dates between 5 and 90 days prior to March 9, 2015, the volume weighted average price per share of the Company s common stock for various periods between 5 and 180 days prior to March 9, 2015, the volume weighted average price per share of the Company s common stock for the 52-week period prior to March 9, 2015, the high closing price for the 52 weeks preceding March 9, 2015, and the low closing price for the 52 weeks preceding March 9, 2015. The results of the premium paid analysis are summarized as follows:

Purchase Price Per Share		**Series AA-1 $0.95 (1)**	**Series AA-2 $0.50**	**50% Control $0.95 (2)**	**65% Control $0.74 (2)**
Closing Share Price as of 3/9/15	$ 0.60	58.3%	(16.7)%	58.3%	23.3%
5-Day Prior	0.64	48.4	(21.9)	48.4	15.6
10-Day Prior	0.59	61.0	(15.3)	61.0	25.4
30-Day Prior	0.95	0.0	(47.4)	0.0	(22.1)
60-Day Prior	0.95	0.0	(47.4)	0.0	(22.1)
90-Day Prior	1.29	(26.4)	(61.2)	(26.4)	(42.6)
5-Day Volume Weighted Average	0.60	57.7	(17.0)	57.7	22.9
10-Day Volume Weighted Average	0.63	51.0	(20.5)	51.0	17.6
30-Day Volume Weighted Average	0.73	29.3	(31.9)	29.3	0.7
60-Day Volume Weighted Average	0.84	13.7	(40.2)	13.7	(11.5)
90-Day Volume Weighted Average	0.95	(0.3)	(47.6)	(0.3)	(22.4)
180-Day Volume Weighted Average	1.19	(20.2)	(58.0)	(20.2)	(37.8)
52-Week Volume Weighted Average	1.49	(36.1)	(66.3)	(36.1)	(50.2)
52-Week High	2.51	(62.2)	(80.1)	(62.2)	(70.5)
52-Week Low	0.55	72.7	(9.1)	72.73	4.5

(1) Represents the price per share the Investor indicated it was willing to pay before the parties agreed on the price of $1.00 per share.
(2) Represents average price per share to be paid by the Investor to reach percentage ownership indicated.

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Hyde Park Capital reviewed implied premiums paid involving publicly held target companies relative to the historical closing stock prices of such target companies one day, five trading days and one month prior to public announcement of the relevant transaction. Hyde Park Capital reviewed the median implied premiums paid for comparable transactions within the oil and gas exploration, oil and gas production, and diversified metals and mining industries and for all deals under $250 million market capitalization one day prior to the respective transaction announcement, in each case during the last three years. The results of the premium analysis are summarized as follows:

	Median of Implied Premium Paid in Selected Transactions		
	One Day	**One Week**	**One Month**
Comparable Industry Transactions	16.2%	21.4%	22.3%
Comparable Industry Transactions - No Discounts (1)	44.2	37.2	38.0
All Transactions under $250 million Market Cap	12.4	13.4	14.0
All Transactions under $250 million Market Cap - No Discounts (1)	26.2	25.1	28.3
Odyssey Control Premium (2)	**58.3%**	**48.4%**	**0.0%**

(1) Excludes transactions closed or announced at a discount.
(2) Based upon average price per share paid for control of $0.95.

Asset Value Analysis

Hyde Park Capital also reviewed the value of the assets of the Company s shipwreck business and deep-sea mining business, based upon estimates of the Company s management, in order to estimate the Company s implied equity value.

A summary of the asset values that Hyde Park Capital reviewed is set forth below. All amounts in the following table are expressed in millions.

Shipwreck Assets:		
Coins from SS Republic	$ 7.4	$ 9.9
Equipment	4.0	6.0
Buildings	2.1	3.1
Shipwreck database	0.3	1.0
Rights to Proceeds Project X	5.0	10.0
Deep-Sea Mining Assets:		
Oceanica interest	$ 20.0	$ 50.0
Chatham shares	0.5	1.0
Neptune shares	0.0	1.0
Factored receivables	0.5	1.5
Total	39.7	83.4
Less: Debt	23.3	23.3

Implied equity value	$ 16.4	$ 60.1
Implied equity value per share	$ 0.16	$ 0.59

The foregoing summary does not purport to be a complete description of the analyses performed by Hyde Park Capital or its presentation to the Board. The preparation of an opinion is a complex process and is not necessarily susceptible to partial analyses or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Hyde Park Capital s opinion. In arriving at its determination, Hyde Park Capital considered the results of all of its analyses. Hyde Park Capital made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. Because of the lack of industry-specific data points, Hyde Park Capital did not use a comparable public company analysis or a precedent merger and acquisition transaction analysis in preparing its opinion. These analyses were not useful because of insufficient industry-specific data points. No company or transaction used in the above analyses as a comparison is directly comparable to the Company or the transactions contemplated by the Purchase Agreement.

Hyde Park Capital prepared these analyses for purposes of providing its opinion to the Special Committee and the Board as to the fairness from a financial point of view to the Company s stockholders of the consideration to

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be received by the Company pursuant to the Purchase Agreement. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of the Company, Hyde Park Capital or any other person assumes responsibility if future results are materially different from those forecast.

The consideration to be received by the Company pursuant to the Purchase Agreement was determined through arm s-length negotiations between the Special Committee and MINOSA and was approved by the Board. Hyde Park Capital provided advice to the Special Committee during these negotiations. Hyde Park Capital did not, however, recommend any specific amount or type of consideration to the Company, the Special Committee, or the Board or that any specific amount or type of consideration constituted the only appropriate consideration for the transaction contemplated by the Purchase Agreement.

As described above, Hyde Park Capital s opinion to the Board was one of many factors taken into consideration by the Special Committee and the Board in making their determination to approve the Purchase Agreement. The foregoing summary does not purport to be a complete description of the analyses performed by Hyde Park Capital in connection with its opinion and is qualified in its entirety by reference to the written opinion of Hyde Park Capital attached as Appendix J to this proxy statement.

Hyde Park Capital and its affiliates provide a range of investment banking and financial services and, in that regard, Hyde Park Capital and its affiliates may in the future provide investment banking and other financial services to the Company, MINOSA and their respective affiliates for which Hyde Park Capital or its affiliates would expect to receive compensation. Prior to its engagement by the Board in connection with a proposed transaction involving the Company, Hyde Park Capital has not provided services to either the Company or MINOSA for which Hyde Park Capital received compensation.

The Company agreed to pay Hyde Park Capital a $250,000 fee for rendering its opinion. In addition, the Company agreed to indemnify Hyde Park Capital against certain liabilities that may arise out of its engagement.

Financial Statements

Our Consolidated Financial Statements (including the notes thereto) as of December 31, 2013 and 2014, and for each of the years in the three-year period ended December 31, 2014, as included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, are hereby incorporated by reference herein. A copy of our Annual Report on Form 10-K is attached as Appendix L to this proxy statement and is available at www.proxyvote.com for those stockholders who received a Notice of Internet Availability of Proxy Materials.

Management s Discussion and Analysis of Financial Condition and Results of Operations

Management s Discussion and Analysis of Financial Condition and Results of Operations that appear in our Annual Report on Form 10-K for the year ended December 31, 2014, is hereby incorporated by reference herein. A copy of our Annual Report on Form 10-K is attached as Appendix L to this proxy statement is available at www.proxyvote.com for those stockholders who received a Notice of Internet Availability of Proxy Materials.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There have been no changes in or disagreements with our accountants required to be disclosed pursuant to Item 304 of Regulation S-K.

Quantitative and Qualitative Disclosures About Market Risk

Information regarding our quantitative and qualitative disclosures about market risk, as set forth in Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2014, is hereby incorporated by reference

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herein. A copy of our Annual Report on Form 10-K is attached as Appendix L to this proxy statement and is available at www.proxyvote.com for those stockholders who received a Notice of Internet Availability of Proxy Materials.

Risk Factors

Stockholders should carefully consider the following risks and all other information contained in this proxy statement and the documents incorporated by reference before deciding how to vote on Proposals 1 through 3. We have included a discussion of each material risk that we have identified as of the date of this proxy statement. However, additional risks and uncertainties not presently known to us or that we currently deem immaterial may also be relevant to Proposals 1 through 3.

Upon a sale or liquidation of the Company, the purchase price of the Series AA Preferred Stock must be repaid in full plus an 8% return prior to our stockholders receiving any value.

Upon a liquidation, dissolution or sale of the Company, the Series AA Preferred Stock is entitled to receive the greater of: (a) purchase price of the Series AA Preferred Stock must be repaid in full plus an 8% return, and (b) the value it would receive in the event that the Series AA Preferred Stock was converted into common stock. In the event that the value of the Company grows at less than 8% per annum, the Series AA Preferred Stock would be entitled to an ever increasing share of the value of the Company. These differing economic terms may provide the holders of the Series AA Preferred Stock with the incentive to seek a liquidation, dissolution or sale of the Company in which the holders of common stock would receive little or no consideration.

Upon consummation of the proposed transaction, the Company will be controlled by MINOSA.

After giving effect to the transactions contemplated by the Purchase Agreement, a majority of the members of our Board of Directors will be persons affiliated with MINOSA, and pursuant to the terms of the Purchase Agreement, MINOSA has the right to acquire a majority of the voting power of the Company. MINOSA may not exercise its rights as the Company s controlling stockholder in a manner consistent with your interests. By virtue of its ownership of the Company s Shares and the existence of MINOSA s affiliates on the Board of Directors, MINOSA is in a position to influence the company s actions for its own benefit.

Our public stockholders may experience dilution as a consequence of the issuance of any shares of Class AA Preferred Stock pursuant to the Purchase Agreement.

Upon completion of the Initial Closing and all Subsequent Closings relating to the Series AA-1 Preferred Stock, MINOSA will own a majority of the fully diluted capital of the Company. MINOSA will have the option to purchase additional shares of Series AA-2 Preferred Stock at a price of $0.50 per share (which is less than the lowest closing price of our common stock during the year preceding the signing of the Purchase Agreement). The purchase of the Series AA-2 Preferred Stock will result in substantial economic dilution of the value of our common stock.

The Investor s obligation to consummate the Initial Closing and Subsequent Closings is subject to third-party consents over which the Investor and Odyssey have no control.

Pursuant to the Purchase Agreement, the Investor s obligation to consummate the Initial Closing and Subsequent Closings is conditioned upon the consent of certain third parties over which Odyssey and the Investor have no control. The consent of such third parties is not guaranteed and the lack thereof could prevent the Investor from being obligated to consummate either the Initial Closing or any of the Subsequent Closings.

The Investor may decline to consummate the Initial Closing and Subsequent Closings but retain control of our Board of Directors (and in certain circumstances the option to purchase Odyssey s shares in Oceanica).

Pursuant to the Purchase Agreement, the Investor may, depending on its satisfaction, in its sole discretion, with certain conditions, decline to consummate the Initial Closing or the Subsequent Closings. If the Investor declines to consummate such closings, it will maintain control of Odyssey s Board of Directors until its appointees tenure on the Board of Directors expires. Additionally, in certain circumstances MINOSA will retain the option to purchase all of Odyssey s shares in Oceanica Resources S. de R.L. after such decision to not consummate the closings.

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The likelihood of Odyssey s shareholder obtaining an acquisition premium from a subsequent transaction is diminished.

As a result of the transactions contemplated by the Purchase Agreement, MINOSA will acquire majority ownership of the Company. Such ownership decreases the likelihood that the Company s stockholders will obtain an acquisition premium on their shares in connection with another transaction.

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Proposal 2 - THE TRANSACTION PROPOSAL

The Proposal

Our Board of Directors is seeking the approval for purposes of Nasdaq Listing Rule 5635, of a proposal for our stockholders to adopt and approve the Purchase Agreement and ratify, adopt, and approve the transactions contemplated by the Purchase Agreement, including the issuance of up to 31,300,297 shares of the Company s Class AA Preferred Stock and up to 31,300,297 shares of the Company s common stock issuable upon conversion of the Class AA Preferred Stock, in each case calculated after giving effect to the one-for-six reverse stock split contemplated by Proposal 3(b) (the Transaction Proposal).

As discussed above, on March 11, 2015, the Company entered into the Purchase Agreement with MINOSA and the Investor. The Purchase Agreement provides that the adoption and approval of the Purchase Agreement, including the issuance of the Company s Class AA Preferred Stock and common stock to the Investor by the Company s stockholders is one of the conditions to the initial purchase and sale of shares of the Company s Class AA Preferred Stock. The Purchase Agreement further provides, among other things:

- for the Company to issue and deliver to the Investor up to 31,300,297 shares of the Company s Class AA Preferred Stock (or 187,801,782 shares, calculated without giving effect to the one-for-six stock split); and

- as a condition to the initial purchase and sale of shares of the Company s Class AA Preferred Stock, that individuals designated by the Investor and reasonably acceptable to the Company (the Investor Designees) be elected to the Company s Board of Directors and that such Investor Designees constitute a majority of the Board of Directors.

Because the Company s common stock is listed on the NASDAQ Capital Market, the Company is subject to Nasdaq Listing Rule 5635, which requires stockholder approval prior to the issuance of securities:

- in connection with a transaction, other than a public offering, involving the sale, issuance or potential issuance by a company of common stock (or securities convertible into or exercisable for common stock) equal to 20.0% or more of the common stock or 20.0% or more of the voting power outstanding before the issuance for less than the greater of book or market value of the stock; or

- when the issuance or potential issuance will result in a change of control of the Company.

As of March 11, 2015, the Company had 89,582,502 shares of common stock outstanding (which is the equivalent of 14,930,417 shares, after giving effect to the one-for-six stock split contemplated in this proxy statement), and on that date the consolidated closing bid price of the Company s common stock was $0.6201 per share (which is the equivalent of $3.7206 per share, after giving effect to the one-for-six stock split contemplated in this proxy statement). Of the 31,300,297 shares of the Company s Class AA Preferred Stock that may be purchased by the Investor under the Purchase Agreement (after giving effect to the one-for-six stock split), 16,854,007 are shares of Series AA-1 Preferred Stock with a purchase price of $6.00 per share and 14,446,290 are shares of Series AA-2 Preferred Stock with a purchase price of $3.00 per share. Both the Series AA-1 and Series AA-2 Preferred Stock are convertible into an equal

number of shares of the Company s common stock and therefore if issued and converted would represent 67.7% percent of number of shares of the Company s common stock outstanding as of March 11, 2015, after giving effect to the one-for-six stock split contemplated in this proxy statement and the dilution to the existing stockholders of the Company.

Under Nasdaq s interpretation of Listing Rule 5635, a change of control would occur when, as a result of the issuance of securities, an investor or a group would own, or have the right to acquire, 20.0% or more of the outstanding shares of common stock or voting power and such ownership or voting power would be the largest ownership position. However, Nasdaq will consider all facts and circumstances concerning a transaction, including whether there are any other relationships or agreements between the company and the investor or group. As noted above, the shares of Class AA Preferred Stock that may be purchased by the Investor under the Purchase Agreement represent significantly more than 20.0% of the Company s outstanding shares of common stock, and one of the conditions to the initial purchase and sale of shares of the Company s Class AA Preferred Stock is that Investor Designees be elected to the Company s Board of Directors.

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Effect of Proposal 2

If Proposal 2, together with Proposals 1 through 3, including sub-proposals 3(a) through 3(e) is approved, the Company, the Investor, and MINOSA may proceed to complete the transactions contemplated by the Purchase Agreement, on the terms and subject to the conditions set forth therein. If Proposal 2 is not approved by the Company s stockholders, then the conditions set forth in the Purchase Agreement will not be satisfied, and the Company and the Investor will have the right to terminate the Purchase Agreement in accordance with its terms. If the Agreement is terminated, the Company will be obligated to repay the amounts borrowed from MINOSA, as well as accrued interest, and MINOSA will retain the right to exercise the Oceanica Call, but the issuance and sale of the Class AA Preferred Stock will not be consummated.

Vote Required

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote is required to approve the Transaction Proposal. Abstentions will have the same effect as votes against this proposal because the shares are considered present at the Annual Meeting but are not affirmative votes; however, broker non-votes will not be counted towards the tabulation of votes cast and will not affect the outcome of the Transaction Proposal.

BOARD RECOMMENDATION

YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS

VOTE **FOR** PROPOSAL 2.

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Proposal 3 - THE ARTICLES AMENDMENT PROPOSAL Including Each Sub-Proposal 3(a) through 3(e)

In connection with the Investor s investment in the Company under the Purchase Agreement, the Company and the Investor agreed that the Company would make certain amendments to its Articles of Incorporation and certain other changes to its governance documents. The consummation of the Initial Closing under the Purchase Agreement requires amending the Company s articles of amendment as described in sub-proposals 3(a) through 3(e) (collectively, the Articles Amendment Proposal). In order to comply with applicable rules of the SEC in connection with proxy statements, we have presented each amendment to the Company s Articles of Incorporation as separate for approval; however, unless each sub-proposal and thus the Certificate of Amendment is approved, the conditions to consummating the Initial Closing under the Purchase Agreement will not be satisfied.

Sub Proposal 3(a): The Authorized Capitalization Proposal

Our Board of Directors is seeking the approval of an amendment to our articles of incorporation to provide that the aggregate number of shares the Company is authorized to issue, *after* giving effect to the 1-for-6 reverse stock split described in Proposal 3(b), is 150,000,000 shares of common stock, par value $0.0001 per share, and 50,000,000 shares of preferred stock, par value $0.0001 per share (the Authorized Capitalization Proposal). The full text of the proposed amendment is set forth in the form of Certificate of Amendment attached as Appendix B to this proxy statement.

Sub Proposal 3(b): The Reverse Split Proposal

Our Board of Directors is seeking the approval of an amendment to our articles of incorporation to implement a one-for-six reverse stock split whereby each six issued and outstanding shares of the Company s common stock will be combined into one share of the Company s common stock (the Reverse Split Proposal). The full text of the proposed amendment is set forth in the form of Certificate of Amendment attached as Appendix B to this proxy statement.

In addition to the Purchase Agreement providing that the approval of the Reverse Split Proposal is one of the conditions to the Initial Closing, our Board of Directors believes a reverse stock split is also desirable for the following reasons:

Compliance with Nasdaq Listing Rule 5550(a)(2). On March 9, 2015, the Company received a letter from the Listing Qualifications Staff (the Staff) of The NASDAQ Stock Market notifying the Company that, because the closing bid price of its common stock had been below $1.00 for 30 consecutive business days, it no longer complies with the requirements for continued listing on the NASDAQ Capital Market set forth in Nasdaq Listing Rule 5550(a)(2). In accordance with Nasdaq Listing Rule 5810(c)(3)(A), the Company has been provided a period of 180 calendar days, or until September 5, 2015, in which to regain compliance. In order to regain compliance with the minimum bid price requirement, the closing bid price of the Company s common stock must be at least $1.00 per share for a minimum of ten consecutive business days during this 180-day period. If the Company does not demonstrate compliance with Listing Rule 5550(a)(2) by September 5, 2015, the Staff will determine whether the Company meets the applicable market value of publicly held shares requirement for continued listing and all other applicable standards for initial listing on the NASDAQ Capital Market (except the bid price requirement). If the Company meets such criteria, it may be eligible for an additional 180 day compliance period. If the Company does not regain compliance, its common stock will be subject to delisting. Our Board of Directors has concluded that a reverse stock split will

strengthen our ability to regain compliance with this Listing Rule 5550(a)(2).

Increased Share Price. A reverse stock split may increase the trading price of shares of our common stock, potentially making them more attractive investments generally and to institutional investors in particular.

Reduced Stockholder Transaction Costs. Because investors typically pay commissions based on the number of shares traded when they buy or sell shares of our common stock, these investors may pay lower commissions for trading a given dollar amount of our common stock if the reverse stock split occurs.

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Potential Risks Associated with a Reverse Stock Split

The following is a non-exhaustive list of potential risks associated with effecting a reverse stock split:

No Guarantee of Increased Share Price. There are no assurances that the trading price of our common stock will increase upon the effectiveness of any reverse stock split approved by the board. The future performance of our common stock will be based on our performance and other factors that are unrelated to the number of issued and outstanding shares of our common stock. If the trading price of shares of our common stock does not increase by an amount that is commensurate with the reduction in our shares issued and outstanding as a result of the reverse stock split, the total market capitalization of the Company will decrease.

Increased Number of Odd-Lot Holders. A reverse stock split is likely to result in some stockholders owning odd-lots of fewer than 100 shares of common stock. Brokerage commissions and other costs of transactions in odd lots are generally somewhat higher than the costs of transactions on round-lots of even multiples of 100 shares.

Reduced Liquidity is Possible. The liquidity of our common stock could be adversely affected by the reduced number of shares that would be issued and outstanding if the reverse stock split is approved.

Effect of a Reverse Stock Split

The principal effect of the reverse stock split would be to reduce the number of issued and outstanding shares of the Company s common stock based upon a 1-for-6 exchange ratio. Assuming a 1-for-6 reverse stock split, each stockholder holding 600 shares of our common stock (par value $0.0001 per share) immediately prior to the reverse stock split taking effect will become a holder of 100 shares of our common stock (par value $0.0001 per share) after the reverse stock split is consummated.

The reverse stock split itself will not change the proportionate equity interests of our stockholders, nor will the respective voting rights or other rights of stockholders be altered in any way by the reverse stock split, other than as a result of the treatment of fractional shares as described below. The common stock issued pursuant to the reverse stock split will remain fully paid and non-assessable. The number of authorized shares of the Company s common stock will not change solely by virtue of implementing the Reverse Split Proposal.

If the Investor purchases all the shares of Class AA Preferred Stock, then, *after* giving effect to the 1-for-6 reverse stock split described in this Proposal 3(b), but *without* giving effect to the conversion of such shares of Class AA Preferred Stock or our other outstanding shares of preferred stock, we would have outstanding 14,930,417 shares of common stock and an aggregate of 31,305,697 shares of preferred stock (including 31,300,297 shares of Class AA Preferred Stock), and 1,449,597 shares of common stock will be issuable upon the exercise of outstanding options and warrants or the settlement of restricted stock units.

Except as otherwise discussed in this proxy statement, we have no arrangements, agreements, understandings or plans at the current time for the issuance of additional shares of common stock following the reverse stock split. The issuance of additional shares of common stock could have a dilutive effect on earnings per share and the book or market value of our outstanding common stock, depending on the circumstances, and would likely dilute a

stockholder s percentage voting power in the Company. Our Board of Directors intends to take these factors into account before authorizing any new issuance of shares.

The unreserved shares of authorized and unissued common stock following the reverse stock split will be available for issuance in connection with such corporate transactions and purposes as may, from time to time, be considered advisable by our Board of Directors. Except as discussed herein, however, we have no arrangements, agreements, understandings, or plans at the current time for the issuance or use of the additional shares of common stock that will be available following the reverse stock split. Having such shares available for issuance in the future will allow the shares to be issued as determined by our board without further stockholder action, unless the

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circumstances require that we seek stockholder approval under the rules of the NASDAQ Capital Market. The issuance of additional shares of common stock for such corporate transactions and purposes could have a dilutive effect on earnings per share and the book or market value of our outstanding common stock, depending on the circumstances, and would likely dilute a stockholder s percentage voting power in the Company. Our Board of Directors intends to take these factors into account before authorizing any new issuance of shares.

Potential Anti-Takeover Effects

If the reverse stock split is approved, the increased proportion of authorized but unissued shares of our common stock to the issued and outstanding shares thereof could, under certain circumstances, have an anti-takeover effect. For example, such a change could permit future issuances of our common stock that would dilute the stock ownership of a person seeking to effect a change in composition of our board or contemplating a tender offer or other transaction for the combination of the Company with another entity. We could also use the additional shares in ways that could be effective in resisting or frustrating a potential transaction that would have provided an above-market premium and that would have been favored by a majority of our independent stockholders.

Mechanics of Reverse Stock Split

If the Reverse Split Proposal is approved by stockholders and a 1-for-6 reverse stock split is implemented, stockholders will be entitled to exchange their stock certificates after the reverse stock split takes place. Stockholders may exchange their stock certificates by contacting our transfer agent:

Mailing Addresses:	**Telephone and Facsimile:**
Computershare P.O. Box 30170 College Station, TX 77842-3170	Toll-free in the U.S.: (800) 962-4284 Outside the U.S.: (781) 575-3120 Facsimile: (312) 604-2312

Overnight correspondence should be sent to:

Computershare
211 Quality Circle
Suite 210
College Station, TX 77845

Otherwise, stock certificates representing pre-reverse stock split shares of our common stock will be exchanged for certificates evidencing post-reverse stock split shares at the first time they are presented to the transfer agent for transfer.

Effect on Equity Incentive Plans, Options, Warrants and Convertible Securities

If the Reverse Split Proposal is approved by stockholders and a 1-for-6 reverse stock split is implemented, the number of shares of our common stock that may be issued upon the exercise of conversion rights held by holders of securities convertible into our common stock will be reduced proportionately based upon the 1-for-6 exchange ratio. Proportionate adjustments will also be made to the per-share exercise price and the number of shares of our common stock issuable upon the exercise of all outstanding options and warrants entitling the holders to purchase shares of our common stock. Finally, the number of shares reserved for issuance under our equity incentive plans will be reduced proportionately based on the 1-for-6 exchange ratio.

Fractional Shares

We will not issue fractional shares in connection with the reverse stock split. Instead, any fractional share that results from the reverse stock split will be rounded to the next whole share.

Accounting Matters

Because the reverse stock split will not change the par value of shares of our common stock, our stated capital attributable to common stock on our balance sheet will be reduced to approximately 16.7% of its present amount assuming an exchange ratio of 1-for-6. Additional paid-in capital will increase by the dollar amount by which stated capital decreases. We have not distributed cash dividend to the holders of our common stock.

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Certain Federal Income Tax Consequences of a Reverse Stock Split

IN ACCORDANCE WITH 31 C.F.R. § 10.35(b)(5), THE DISCUSSION OF THE TAX ASPECTS PROVIDED HEREIN HAS NOT BEEN PREPARED, AND MAY NOT BE RELIED UPON BY ANY PERSON, FOR PROTECTION AGAINST ANY FEDERAL TAX PENALTY. THE TAX DISCUSSION HEREIN IS WRITTEN TO THE REVERSE SPLIT PROPOSAL, AND EACH STOCKHOLDER SHOULD SEEK ADVICE BASED ON SUCH STOCKHOLDER S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following is a summary of certain United States federal income tax consequences of the reverse stock split generally applicable to beneficial holders of shares of our common stock. This summary addresses only stockholders who hold their pre-reverse stock split shares as capital assets and will hold the post-reverse stock split shares as capital assets. This discussion does not address all United States federal income tax considerations that may be relevant to particular stockholders in light of their individual circumstances or to stockholders that are subject to special rules, such as financial institutions, tax-exempt organizations, insurance companies, dealers in securities, and foreign stockholders. The following summary is based upon the provisions of the Internal Revenue Code of 1986, as amended, applicable Treasury Regulations thereunder, judicial decisions, and current administrative rulings, as of the date hereof, all of which are subject to change, possibly on a retroactive basis. Tax consequences under state, local, foreign, and other laws are not addressed in this summary. Each stockholder should consult its tax advisor as to the particular facts and circumstances which may be unique to such stockholder and also as to any estate, gift, state, local or foreign tax considerations arising out of the reverse stock split. We have not and will not seek a ruling from the Internal Revenue Service or an opinion of counsel regarding the United States federal income tax consequences of the proposed reverse stock split. Therefore, the income tax consequences discussed below are not binding on the Internal Revenue Service, and there can be no assurance that such income tax consequences, if challenged, would be sustained.

Subject to the above, the United States federal income tax consequences of the proposed reverse stock split may be summarized as follows:

The reverse stock split would qualify as a tax-free recapitalization under the Internal Revenue Code. Accordingly, a stockholder should not recognize any gain or loss for United States federal income tax purposes as a result of the receipt of the post-reverse stock split common stock pursuant to the reverse stock split.

The shares of post-reverse stock split common stock in the hands of a stockholder will have an aggregate basis for computing gain or loss on a subsequent disposition equal to the aggregate basis of the shares of pre-reverse stock split common stock held by the stockholder immediately prior to the reverse stock split.

A stockholder s holding period for the post-reverse stock split common stock should include the holding period of the pre-reverse stock split common stock exchanged.

Sub Proposal 3(c): The Classified Board Proposal

Our Board of Directors is seeking the approval of an amendment to our articles of incorporation to classify the membership of the Board of Directors into three classes, as nearly equal in number as possible, with one class to be elected annually for staggered three-year terms (the Classified Board Proposal). The full text of the proposed

amendment is set forth in the form of Certificate of Amendment attached as Appendix B to this proxy statement.

In addition to the Purchase Agreement providing that the approval of the Reverse Split Proposal is one of the conditions to the Initial Closing, our Board of Directors believes that having a classified Board of Directors will help ensure continuity and stability in the board s leadership and policies by ensuring that, at any given time, a majority of the directors will have prior experience with the Company and, therefore, will be familiar with its business and operations. The Company has not experienced continuity problems in the past, and the Board of

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Directors wishes to ensure that the Board s past continuity will continue. The Board of Directors also believes that the classified board amendment will assist the board in protecting the interests of the Company s stockholders in the event of an unsolicited offer for the Company by encouraging any potential acquirer to negotiate directly with the Board of Directors.

To preserve the classified board structure, the amendment to our articles of incorporation relating to the Classified Board Proposal also provides that a director appointed by the Board of Directors to fill a vacancy holds office until the next election of the class for which such director has been chosen, and until that director s successor has been elected and qualified or until his or her earlier death, resignation, retirement or removal. Presently, all of the directors of the Company are elected annually and all of the directors may be removed, with or without cause, by a majority of the voting power of the Company.

Unless a director is removed or resigns, three annual elections would be needed to replace all of the directors on the classified board. The classified board amendment may, therefore, discourage an individual or entity from acquiring a significant position in the Company s stock with the intention of obtaining immediate control of the Board of Directors. If the Classified Board Proposal is approved, these provisions will be applicable to each annual election of directors, including the elections following any change of control of the Company.

Having a classified board may increase the amount of time required for a takeover bidder to obtain control of the Company without the cooperation of the board, even if the takeover bidder were to acquire a majority of the voting power of the Company s outstanding common stock. Without the ability to obtain immediate control of the board, a takeover bidder will not be able to take action to remove other impediments to its acquisition of the Company. Thus, having a classified board could discourage certain takeover attempts, perhaps including some takeovers that stockholders may feel would be in their best interests. Further, having a classified board will make it more difficult for stockholders to change the majority composition of the board of the board, even if the stockholders believe such a change would be desirable. Because of the additional time required to change the control of the Board of Directors, having a classified board could be viewed as tending to perpetuate present management.

Although this proposal could make it more difficult for a hostile bidder to acquire control over the Company, the Board of Directors believes that by forcing potential bidders to negotiate with the board for a change of control transaction, the board will be better able to maximize stockholder value in any change of control transaction.

Sub Proposal 3(d): The Liability Limitation Proposal

Our Board of Directors is seeking the approval of an amendment to our articles of incorporation to provide that the liability of the Company s directors and officers of the Corporation shall be eliminated or limited to the fullest extent permitted by Nevada law and that the expenses of officers and directors incurred in defending any threatened, pending, or completed action, suit, or proceeding involving alleged acts or omissions of such officer or director shall be paid as they are incurred (the Liability Limitation Proposal). The full text of the proposed amendment is set forth in the form of Certificate of Amendment attached as Appendix B to this proxy statement.

Sub Proposal 3(e): The Unaffiliated Director Proposal

Our Board of Directors is seeking the approval of an amendment to our articles of incorporation to provide that each director of the Company who is not an officer, employee or other member of management of the Company, and each agent and affiliate thereof, will have the right: (a) to directly or indirectly engage in any activities or lines of business that are the same as or similar to those pursued by, or competitive with, the Company and its subsidiaries, (b) to directly or indirectly do business with any client or customer of the Company and its subsidiaries, and (c) not to

present potential transactions, matters, or business opportunities to the Company or any of its subsidiaries, and to pursue, directly or indirectly, any such opportunity for himself or herself, and to direct any such opportunity to another person (the Unaffiliated Director Proposal). The full text of the proposed amendment is set forth in the form of Certificate of Amendment attached as Appendix B to this proxy statement.

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Effect of Proposal 3, including Sub-Proposal 3(a) through Sub-Proposal 3(e)

If Proposal 3, including each of the sub-proposals 3(a) through 3(e), together with Proposals 1 and 2, is approved, the Company, the Investor, and MINOSA may proceed to complete the transactions contemplated by the Purchase Agreement, on the terms and subject to the conditions set forth therein. If Proposal 3, including each of the sub-proposal 3(a) through 3(e) is not approved by the Company s stockholders, then the conditions set forth in the Purchase Agreement will not be satisfied, and the Company and the Investor will have the right to terminate the Purchase Agreement in accordance with its terms. If the Agreement is terminated, the Company will be obligated to repay the amounts borrowed from MINOSA, as well as accrued interest, and MINOSA will retain the right to exercise the Oceanica Call, but the issuance and sale of the Class AA Preferred Stock will not be consummated.

If the Liability Limitation Proposal is approved, the liability of the Company s directors and officers shall be eliminated or limited to the fullest extent permitted by Nevada law and that the expenses of officers and directors incurred in defending any threatened, pending, or completed action, suit, or proceeding involving alleged acts or omissions of such officer or director shall be paid as they are incurred

Vote Required

The affirmative vote of the holders of a majority of the shares entitled to vote is required to approve the Proposal 3, including each of the sub-proposals 3(a) through 3(e). Abstentions will have the same effect as votes against this proposal because the shares are considered present at the Annual Meeting but are not affirmative votes, however, broker non-votes will not be counted towards the tabulation of votes cast and will not affect the outcome of the Proposal 3, including each of the sub-proposals 3(a) through 3(e).

BOARD RECOMMENDATION

YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS

VOTE **FOR** PROPOSAL 3,

INCLUDING EACH OF THE SUB-PROPOSALS 3(A) THROUGH 3(E)**.**

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Proposal 4 - ADVISORY VOTE ON EXECUTIVE COMPENSATION

Background

Section 951 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) requires the Company to seek a non-binding advisory vote from its stockholders to approve the compensation of its named executive officers (Say-on-Pay vote) as disclosed in the Compensation Discussion & Analysis (CD&A) and accompanying compensation tables and the related narrative disclosure in this Proxy Statement. Because the required vote is advisory, the result of the vote is not binding upon the Board of Directors.

We believe that executive compensation should be linked to the Company s performance and aligned with the interests of the Company s stockholders. In addition, executive compensation is designed to allow the Company to recruit, retain and motivate employees who play a significant role in the organization s current and future success.

As a focus on the Company s long-term performance, we believe that long-term equity awards are effective tools for aligning management and stockholder interests in order to increase overall stockholder value. In addition, the executive officers are often asked to implement long-term initiatives for the Company that, by definition, takes more than one fiscal year to accomplish. Stability and continuity among the executive officers aids the Company in its implementation of such long-term initiatives. However, a portion of the executive officers annual compensation is also linked to the short-term success of the Company in order to motivate and reward executives to achieve Company objectives and to attract and retain talented executives.

Proposal

At the 2011 annual meeting, the Board of Directors recommended stockholders approve holding a Say-on-Pay vote every year. Our stockholders supported that recommendation. Accordingly, we will hold a Say-on-Pay vote annually until the 2017 annual meeting when stockholders will be asked to vote again on how frequently we should hold the Say-on-Pay vote.

The Company is presenting this proposal, which gives you as a stockholder the opportunity to express your view on our executive compensation by voting for or against the following resolution:

RESOLVED, that the compensation paid to the Company s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, the compensation tables and other narrative executive compensation disclosures contained in the Company s 2015 Proxy Statement, is hereby **APPROVED**.

Position of Board of Directors

BOARD RECOMMENDATION

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS

APPROVE THE COMPENSATION OF THE NAMED EXECUTIVE OFFICERS

BY VOTING **FOR** THE ABOVE PROPOSAL**.**

As discussed in the Compensation Discussion and Analysis contained in this Proxy Statement, the Compensation Committee of the Board of Directors believes that the executive compensation for the year ended December 31, 2014, is reasonable and appropriate, is justified by the performance of the Company and is the result of a carefully considered approach. While our total stockholder return during the period was not positive, the Committee recognizes and believes that significant accomplishments during 2014 in marine operations and development of future projects will bring long-term benefits to our stockholders.

Effect of Vote

Because your vote is advisory, it will not be binding upon the Company, the Compensation Committee or the Board of Directors; however, we value stockholders opinions, and we will consider the outcome of the Say-on-Pay vote when determining future executive compensation arrangements.

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Proposal 5 - APPROVAL OF THE 2015 STOCK INCENTIVE PLAN, AS AMENDED

Background

The Company s Board of Directors is asking our stockholders to approve the 2015 Stock Incentive Plan, as amended (the 2015 Plan), under which 5,400,000 shares of our common stock will be reserved for issuance. The Board of Directors has approved the 2015 Plan, subject to approval from our stockholders at the Annual Meeting. Our named executive officers and directors have an interest in this proposal as a result of the Awards that may be granted to them under the 2015 Plan.

The 2015 Plan is designed to enable the continued use of the same type of awards that are currently provided for under our 2005 Stock Incentive Plan (the 2005 Plan) and to incorporate additional protection for the interests of our stockholders through new Plan provisions and limitations. The 2015 Plan will permit awards of both incentive and nonqualified stock options and restricted stock awards, as well as awards of restricted stock units, performance shares, performance units and stock appreciation rights (collectively referred to as an Award or Awards).

The 2015 Plan will replace the 2005 Stock Incentive Plan. The Board of Directors intends that, upon approval by our stockholders, all future awards will be granted under the 2015 Plan. Therefore, if the stockholders approve the 2015 Plan, no further awards will be granted under the 2005 Plan; however, any awards outstanding under the 2005 Plan will remain subject to its terms and conditions. In addition, any shares reserved for the 2005 Plan not currently subject to outstanding awards or not issued upon the exercise of such awards will not be used for the grant of any future awards. The 2005 Plan currently has 4,531,703 shares reserved for options and restricted stock currently outstanding and 14,917 shares available for grant.

If our stockholders do not approve the 2015 Plan, future equity awards will continue to be granted under the 2005 Plan to the extent shares continue to remain available for granting and provided the Plan has not expired or been terminated by the Board of Directors. The 2005 Plan expires on August 3, 2015.

Importance of the 2015 Plan

Equity-based compensation is a vital part of our compensation policy since it provides employees with long-term exposure to the Company s performance, aligns employees interests with those of our stockholders and discourages imprudent risk-taking. Adoption of the 2015 Plan will permit us to continue to grant equity compensation awards to our employees, officers, and directors in furtherance of this policy.

In assessing the appropriate terms of the 2015 Plan and the importance of equity as a component of our compensation program, our Board of Directors considered, among other items, protecting the interests or our stockholders, our compensation philosophy and practices, and input from AON Hewitt, the Compensation Committee s independent compensation consultant. As a result, the 2015 Plan incorporates the following design features:

No evergreen provision;

Prohibits liberal share recycling;

No repricing or below-market grants of stock options and stock appreciation rights permitted without stockholder approval;

No stock option reload features;

No excise tax gross-up protection features;

Double trigger equity vesting acceleration subsequent to a Change-in-Control; and

No dividends or dividend equivalents on unearned performance Awards.

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The 2015 Plan authorizes 5,400,000 shares for issuance pursuant to Awards, which constitutes approximately 6.3% of our outstanding shares of common stock. Based on forecasting of the number of shares likely needed for newly hired employees and executives as well as ongoing grants to our current employees, executives, and members of our Board of Directors, as well as considering (i) the dilutive impact of awards that have been granted under the 2005 Plan and that may be granted under the 2015 Plan, (ii) the expected value transfer and dilution of such grants, (iii) compliance with Section 162(m) of the Internal Revenue Code of 1986 as amended, and (iv) input from our compensation consultant, the Board of Directors anticipates that the number of shares available under the 2015 Plan will provide sufficient shares for equity awards for approximately the next three years .

The annual share usage under the 2005 Plan during our three previous fiscal years was as follows:

	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012
Stock Options Granted	1,026,286	1,233,822	771,969
Full Value Awards Granted	1,076,813	411,383	515,884
Total Shares Granted	2,103,099	1,645,205	1,287,853
Basic Weighted Average Common Shares Outstanding	84,870,635	80,128,827	73,889,112
Annual Burn Rate	2.48%	2.05%	1.74%

Based on the above analysis, our Board of Directors believes the 2015 Plan will allow the Company to maintain and recruit qualified employees and that the Plan has been designed to be fair to our Stockholders.

Description of the 2015 Plan

On January 2, 2015, the Board of Directors approved the establishment of the 2015 Plan subject to approval of the Company s stockholders. After further consultation with our compensation consultant, and as required by the Purchase Agreement, our Board approved amendments to the 2015 Plan on April 7, 2015, subject to approval of the Company s stockholders. The Board of Directors believes that the 2015 Plan will advance the interests of the Company by encouraging and providing for the acquisition of an equity interest in the Company by employees, officers, directors and consultants, and by providing additional incentives and motivation toward superior Company performance and in enabling the Company to attract and retain the services of key employees, officers, directors and consultants. The following is a summary of the material features of the 2015 Plan, which is qualified in its entirety by reference to the 2015 Plan. The 2015 Plan was filed with the Securities and Exchange Commission as an exhibit to the Company s Form 8-K filed with the SEC on January 2, 2015, and a summary of the amendments to the 2015 Plan is set forth in the Company s Form 8-K filed with the SEC on April 9, 2015. A copy of the 2015 Plan, as amended, can also be obtained by contacting the Company s Secretary, Melinda J. MacConnel.

General

The total number of shares that may be issued pursuant to stock incentives under the 2015 Plan shall not exceed Five Million Four Hundred Thousand (5,400,000), which may be issued pursuant to Option Awards, Restricted Stock Awards, Restricted Stock Units or Stock Appreciation Rights, subject to adjustment in the event of certain recapitalizations, reorganizations and similar transactions.

The 2015 Plan will be administered by the Compensation Committee. The Compensation Committee has full and exclusive power within the limitations set forth in the 2015 Plan to make all decisions and determinations regarding the selection of participants and the granting of awards; establishing the terms and conditions relating to each award; adopting rules, regulations and guidelines; and interpreting the 2015 Plan. The Compensation Committee will determine the appropriate mix of stock options and stock awards to be granted to best achieve the objectives of the 2015 Plan. The 2015 Plan may be amended by the Board of Directors or the Compensation Committee, without the approval of stockholders, but no such amendments may increase the number of shares issuable under the 2015 Plan or adversely affect any outstanding awards without the consent of the holders thereof.

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Eligibility

Key employees, directors, consultants or advisors of the Company or its subsidiaries are eligible to receive awards under the 2015 Plan.

Types of Awards

The Compensation Committee may determine the type and terms and conditions of awards under the 2015 Plan. Awards may be granted in a combination of stock options, stock appreciation rights, and/or stock awards. Such awards may have terms providing that the settlement or payment of one type of award automatically reduces or cancels the remaining award. Awards under the 2015 Plan may include the following:

Stock Options. Stock options entitle their holders to purchase shares of common stock at a specified price for a specified period. The exercise price of each option may not be less than 100% of fair market value of the Company s common stock on the date of grant. Fair market value for purposes of the 2015 Plan means the closing price reported on a national securities exchange of a share as reported in the appropriate composite listing for such exchange. Options may be in the form of Non-Qualified Stock Options or Incentive Stock Options.

Any stock option granted in the form of an incentive stock option will be intended to comply with the requirements of Section 422 of the Internal Revenue Code of 1986, as amended. Only options granted to employees qualify for incentive stock option treatment. No stock option shall be granted under the 2015 Plan after January 2, 2025, which is 10 years from the date the 2015 Plan was initially adopted. A stock option may be exercised in whole or in installments, which may be cumulative. Shares of common stock purchased upon the exercise of a stock option must be paid for in full at the time of the exercise in cash or such other consideration determined by the Compensation Committee. Payment may include tendering shares of common stock or surrendering of a stock award, or a combination of methods.

Stock Appreciation Rights. A stock appreciation right is the right to receive a payment equal to the excess of the fair market value of a specified number of shares of common stock on the date the stock appreciation right is exercised over the fair market value on the date of grant of the stock appreciation right. Any stock appreciation rights granted under the 2015 Plan will require that payment upon exercise be in the form of common stock of the Company.

Stock Awards. Stock awards are awards made in common stock or denominated in common stock units which entitle the recipient to receive future payments in either shares, cash, or a combination thereof. Awards may be subject to conditions established by the Compensation Committee and set forth in the award agreement, and may include, but are not limited to, continuous service with the Company, achievement of specific business objectives, and other measurements of performance. Awards may be subject to restrictions and contingencies regarding vesting and eventual payment as the Compensation Committee may determine.

Terms of Awards. All awards made under the 2015 Plan may be subject to vesting and other contingencies as determined by the Compensation Committee and will be evidenced by agreements approved by the Compensation Committee which set forth the terms and conditions of each award. The Compensation Committee, in its discretion, may accelerate or extend the period for the exercise or vesting of any awards.

Generally, all awards granted under the 2015 Plan shall be nontransferable except by Will or in accordance with the laws of descent and distribution or pursuant to a domestic relations order. During the life of the participant, awards can be exercised only by the participant. The Compensation Committee may permit a participant to designate a beneficiary to exercise or receive any rights that may exist under the 2015 Plan upon the participant s death.

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Change-in-Control

Upon the occurrence of an event constituting a Change-in-Control of the Company as defined in the 2015 Plan, outstanding awards may become immediately vested, or they may vest in the event of a qualified termination in conjunction with the Change-in-Control. However, the 2015 Plan provides that the execution and delivery of the Purchase Agreement shall not constitute a Change-in-Control for purposes of the 2015 Plan or any individual award agreement evidencing an award under the 2015 Plan.

Tax Consequences

The following are the federal tax consequences generally arising with respect to awards granted under the 2015 Plan. The grant of an option will create no tax consequences for an optionee or the Company. The optionee will have no taxable income upon exercising an incentive stock option (except that the alternative minimum tax may apply), and the Company will receive no deduction when an incentive stock option is exercised. Upon exercising an option other than an incentive stock option, the optionee must recognize ordinary income equal to the difference between the exercise price and the fair market value of the stock on the date of exercise; the Company will be entitled to a tax deduction for the same amount. The tax treatment for an optionee on a disposition of shares acquired through the exercise of an option depends on how long the shares have been held and whether such shares were acquired by exercising an incentive stock option or by exercising an option other than an incentive stock option (i.e., a Non-Qualified Stock Option).

Generally, there will be no tax consequences to the Company in connection with the disposition of shares acquired under an option except that the Company may be entitled to a tax deduction in the case of a disposition of shares acquired under the incentive stock option before the applicable incentive stock option holding periods have been satisfied.

With respect to other awards granted under the 2015 Plan that are settled either in cash or in stock or other property that is either transferable or not subject to substantial risk of forfeiture, the participant must recognize ordinary income equal to the cash or fair market value of shares, and the Company will be entitled to a deduction for the same amount. With respect to awards that are restricted as to transferability or subject to substantial risk of forfeiture, the participant must recognize ordinary income equal to the fair market value of the shares received at the time the shares or other property became transferable or not subject to substantial risk of forfeiture, whichever occurs earlier; and the Company will be entitled to a deduction for the same amount.

Modifications to Performance Goal Criteria. In the event that the applicable tax and/or securities laws and regulatory rules and regulations change to permit Committee discretion to alter the governing performance criteria under the 2015 Plan without obtaining Stockholder approval of such changes, the Committee shall have sole discretion to make such changes without obtaining Stockholder approval. In addition, in the event that the Committee determines that it is advisable to grant Awards which shall not qualify for the Performance Based Exception, the Committee may make such grants without satisfying the requirements under Section 162(m) of the Code to qualify for the Performance Based Exception.

Achievement of Performance Goals. The Committee shall have the discretion to determine whether a certain performance goal has been attained and the Committee may delegate this authority to management in those cases where it elects to do so, provided however, that with respect to Performance Based Exceptions under Section 162(m) of the Code, the Committee shall make the determination whether a certain performance goal has been attained.

Notwithstanding any provision in the Plan to the contrary, for grants of options or awards under the Plan intended to comply with Section 162(m) of the Code, the maximum aggregate number of Shares with respect to one or more Awards that may be granted to any one person during any calendar year shall be 1,000,000, and the maximum aggregate amount of cash that may be paid in cash to any person during any calendar year with respect to one or more Awards payable in cash shall be $2,000,000. The maximum number of shares that may be used for Incentive Stock Options under the Plan shall be 5,400,000.

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Awards Granted Under the 2015 Plan

As of March 31, 2015, there were stock options covering 1,652,000 shares outstanding with a weighted average exercise price of $1.04 and a weighted average remaining term of 9.7 years, restricted stock units covering 951,381 shares outstanding, and 2,796,619 shares remaining available for grant under the 2015 Plan.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides information regarding our equity compensation plans as of March 31, 2015.

Plan Category	Number of securities to be issued upon exercise of outstanding options warrants and rights	Weighted Average exercise price of outstanding options warrants and rights	Number of Securities remaining available for future issuance
Equity compensation plans approved by security holders (1)	4,531,703	$ 2.17	14,917
Equity compensation plans not approved by security holders (2)	2,603,381	$ 0.66	2,796,619
Total	7,135,084	$ 1.62	2,811,536

(1) 2005 Stock Incentive Plan approved by stockholders.
(2) 2015 Stock Incentive Plan adopted by Board of Directors January 2, 2015.

NEW PLAN BENEFITS TABLE

The table below shows the number of options, restricted stock units and performance-based restricted stock units that will be granted to the individuals and groups named below if the 2015 Plan is approved by our stockholders.

Name	Position	Stock Options	Restricted Stock Unit	Performance Restricted Stock Unit
Gregory P. Stemm	Director and Former Chief Executive Officer	150,000		
Mark D. Gordon	Chief Executive Officer and President	472,000	137,700	15,300
Philip S. Devine	Chief Financial Officer	320,000	91,800	10,200
Melinda J. MacConnel	EVP General Counsel & Secretary	142,000	40,500	4,500
Laura L. Barton				