

Edgar Filing: ODYSSEY MARINE EXPLORATION INC - Form S-2

ODYSSEY MARINE EXPLORATION INC

Form S-2

September 20, 2002

As filed with the Securities and Exchange Commission on September 20, 2002  
SEC Registration No. 333-\_\_\_\_\_

=====

U.S. SECURITIES AND EXCHANGE COMMISSION  
FORM S-2 REGISTRATION STATEMENT  
UNDER THE SECURITIES ACT OF 1933

ODYSSEY MARINE EXPLORATION, INC.

-----  
(Exact Name of Registrant as Specified in its Charter)

Nevada

84-1018684

-----  
(State or Other Jurisdiction  
of Incorporation)

-----  
(IRS Employer Identification Number)

3604 Swann Avenue, Tampa, Florida 33609  
(813) 876-1776

-----  
(Address, Including Zip Code, and Telephone Number, Including  
Area Code, of Registrant's Principal Executive Offices)

John C. Morris, President  
3604 Swann Avenue, Tampa, Florida 33609  
(813) 876-1776

-----  
(Name, Address and Telephone Number of Agent for Service)

Copy to:

Jon D. Sawyer, Esq.  
Krys Boyle, P.C.  
600 17th Street, Suite 2700 South Tower  
Denver, Colorado 80202  
(303) 893-2300

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box:

If the registrant elects to deliver its latest annual report to security holders, or a complete and legible facsimile thereof, pursuant to Item 11(a)(1) of this form, check the following box: .

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:

If this form is a post-effective amendment and filed pursuant to Rule 462(d)

## Edgar Filing: ODYSSEY MARINE EXPLORATION INC - Form S-2

under the Securities Act, check the following box and list the Section Act registration statement number of the earlier effective registration statement for the same offering: [ ]

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box: [ ]

### CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, \$.0001 Par Value	3,650,000 (1)	\$1.18 (2)	\$4,307,000 (2)	\$396.24

(1) To be offered by the selling shareholders. Includes 800,000 shares issuable on the exercise of common stock purchase warrants held by selling shareholders; 400,000 shares issuable on the conversion of shares of Series C Preferred Stock held by a selling shareholder; and 400,000 shares issuable on the exercise of common stock purchase warrants issuable on the conversion of Series C Preferred Stock held by a selling shareholder. In accordance with Rule 416 under the Securities Act of 1933, this registration statement also covers an indeterminable number of shares of common stock, \$.0001 par value, as may become issuable upon the exercise of the common stock purchase warrants to prevent dilution resulting from stock splits, stock dividends, and similar transactions in accordance with the terms of the common stock purchase warrants.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) based on the average of the closing bid and ask prices of the common stock as reported on the OTC Bulletin Board on September 20, 2002.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

PROSPECTUS

SUBJECT TO COMPLETION DATED SEPTEMBER 20, 2002

---

The information in this prospectus is not complete and may be changed. The securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

ODYSSEY MARINE EXPLORATION, INC.

3,650,000 Shares of Common Stock

The shares of common stock are being offered by certain selling shareholders.

The common stock is traded in the over-the-counter market and is quoted on the OTC Bulletin Board (Symbol: OMEX). On September 19, 2002 the closing price of the common stock was \$1.18.

This investment involves a high degree of risk. You should purchase shares only if you can afford a complete loss. See "Risk Factors" beginning on page 5.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

\_\_\_\_\_, 2002

TABLE OF CONTENTS

	PAGE
COMPANY SUMMARY . . . . .	3
RISK FACTORS. . . . .	4
COMPANY INFORMATION . . . . .	6
USE OF PROCEEDS . . . . .	6
RECENT MATERIAL CHANGES IN OUR BUSINESS . . . . .	6
SELLING SHAREHOLDERS. . . . .	7
PLAN OF DISTRIBUTION. . . . .	10
DESCRIPTION OF SECURITIES . . . . .	11
LEGAL MATTERS . . . . .	12
EXPERTS . . . . .	12
INCORPORATION OF CERTAIN INFORMATION BY REFERENCE . . . . .	13

## Edgar Filing: ODYSSEY MARINE EXPLORATION INC - Form S-2

### COMPANY SUMMARY

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

Odyssey currently has three active projects; the Sussex, Republic, and Bavaria.

The Sussex Project is an expedition to locate, recover and market the artifacts and cargo of a large colonial-period warship, HMS Sussex, lost in a severe storm in the 1600's. Based on research conducted by the Company and its researchers, management believes that there is a high probability that the ship was carrying a cargo of coins with a bullion value of between \$20 and \$75 million and a much higher numismatic value. Odyssey conducted offshore search operations on this project in 1998, 1999, 2000 and 2001. Based on the results of these search operations, the Company believes that there is a high probability it has located the remains of HMS Sussex. Odyssey is currently negotiating with the British Ministry of Defence for a License permitting the exploration of HMS Sussex.

The Republic project is an attempt to locate, identify, recover, conserve and market the cargo of the Republic, a steam ship that sank after the Civil War. According to our research, the Republic's cargo included approximately 48,000 troy ounces of gold. While the bullion value is approximately \$13 million, much of the gold may have been shipped as dust, nuggets, and privately minted coins and bars from the gold fields, potentially increasing the value of the cargo. Odyssey has reached an agreement with research and insurance interests that would give us 75% of any net revenue generated by the project.

During June 2000, we conducted side scan operations over an area of approximately 65 square miles and during September 2000, we side scanned an additional 80 square miles. Odyssey has reviewed the data and does not believe the Republic is within the areas searched. During 2001, Mr. Jeff Hummel, a researcher for the project, conducted search operations in an area in which he believed the shipwreck might have sunk. To date it appears that he was unsuccessful in locating the wreckage and is planning another expedition during the 2002 calendar year. Depending on Mr. Hummel's timing, the Company may also conduct ROV inspections on certain targets during October 2002.

The Bavaria Project is an expedition attempting to locate and recover the cargo of a nineteenth century steamship sunk off the east coast of the United States. Our research indicates that the steamer was carrying a large shipment of gold coins at the time of her loss. Odyssey conducted search operations during the period May August 2002 and located numerous anomalies within the search area. We intend to inspect these anomalies during September and October 2002. Assuming the shipwreck is located, we anticipate that recovery operations will begin as soon as the archaeological excavation plan is complete, the necessary recovery funds have been secured and the required vessel and equipment can be mobilized. Based on the projected location of the shipwreck, and the circumstances relating to its ownership at the time of its loss, no permits will be necessary to begin recovery

## Edgar Filing: ODYSSEY MARINE EXPLORATION INC - Form S-2

operations.

Our corporate offices are located at 3604 West Swann Avenue, Tampa, Florida 33609. Our telephone number is (813) 876-1776.

3

### RISK FACTORS

Investing in the shares is very risky. You should be able to bear a complete loss of your investment. In deciding whether to purchase the shares, you should carefully consider the following factors, among others, as well as information contained in this prospectus, our most recent annual report on Form 10-KSB, which is attached to this Prospectus, and the other documents incorporated by reference into this prospectus:

#### OUR BUSINESS INVOLVES A HIGH LEVEL OF RISK.

An investment in Odyssey is extremely speculative and of exceptionally high risk. Although we have access to a substantial amount of research and data which has been compiled regarding various projects, the quality and reliability of such research and data is unknown. Even if we are able to plan and obtain permits for our various projects, there is a possibility that the shipwrecks may have already been salvaged, or may not have had anything valuable on board at the time of the sinking. Even if objects of value are located and recovered, there is the possibility that others, including both private parties and governmental entities, asserting conflicting claims, will challenge our rights to the recovered objects. Finally, even if we are successful in locating and retrieving objects from a shipwreck and establishing good title to them, there can be no assurance as to the value that such objects will bring at their sale, as the market for such objects is very uncertain.

#### WE HAVE EXPERIENCED SUBSTANTIAL LOSSES.

We have recorded substantial losses from our operations, and as of February 28, 2002, we had an accumulated deficit of approximately \$7.3 million. We may not be able to become profitable in the future.

#### THE RESEARCH AND DATA WE USE MAY NOT BE RELIABLE.

The success of a shipwreck project will be dependent to a substantial degree upon the research and data we have obtained. By its very nature, research and data regarding shipwrecks is imprecise, incomplete and unreliable. It is often composed of or affected by numerous assumptions, rumors, legends, historical and scientific inaccuracies and inaccurate interpretations which have become a part of such research and data over time.

#### WE WILL DEPEND ON OTHER COMPANIES TO LOCATE AND RECOVER SHIPWRECKS.

Odyssey currently owns the vessel R/V Odyssey as well as certain search equipment, including side scan sonar, navigation equipment and an ROV capable of operations to approximately 1,000 feet. It may be necessary to contract with third parties for any additional equipment and/or labor necessary for the location and recovery of wrecksites. There can be no assurance that financing or third party contracts will be available to us. The availability of specialized recovery equipment may present a problem, and the cost of obtaining the use of such equipment to conduct recovery operations is uncertain and will depend on, in part, the location and condition of the wreckage to be recovered.

## Edgar Filing: ODYSSEY MARINE EXPLORATION INC - Form S-2

RECOVERY EFFORTS MAY BE AFFECTED BY NATURAL HAZARDS.

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

4

WE MAY BE UNABLE TO ESTABLISH OUR RIGHTS TO ANY OBJECTS WE RECOVER.

Persons and entities other than Odyssey and entities we are affiliated with (both private and governmental) may claim title to the shipwrecks. Even if we are successful in locating and recovering shipwrecks, there is no assurance that we will be able to establish our right to property recovered against governmental entities, prior owners, or other attempted salvors claiming an interest therein. In such an event, we could spend a great deal of money and receive no revenues for our work.

THE MARKET FOR ANY OBJECTS WE RECOVER IS UNCERTAIN.

Even if valuable items can be located and recovered, it is difficult to predict the price that might be realized for such items. The value of recovered items will fluctuate with the precious metals market, which has been highly volatile in recent years. In addition, the entrance on the market of a large supply of similar items from shipwrecks located and recovered by others could depress the market for these items.

WE COULD EXPERIENCE DELAYS IN THE DISPOSITION OR SALE OF RECOVERED OBJECTS.

The methods and channels, which may be used in the disposition or sale of recovered items, are uncertain at present and may include several alternatives. Ready access to buyers for any artifacts or other valuable items recovered cannot be assured. Delays in the disposition of such items could adversely affect our cash flow.

OBJECTS WE RECOVER COULD BE STOLEN FROM US.

If we locate a shipwreck and assert a valid claim to items of value, there is a risk of theft of such items at sea, both before and after their recovery, by "pirates" or poachers and while in transit to a safe destination. Such thefts may not be adequately covered by insurance.

WE FACE COMPETITION FROM OTHERS.

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

WE MAY BE UNABLE TO GET PERMISSION TO CONDUCT SALVAGE OPERATIONS.

It is possible that we will not be successful in obtaining title to, or

## Edgar Filing: ODYSSEY MARINE EXPLORATION INC - Form S-2

permission to excavate certain wrecks. In addition, permits that are sought for the projects may never be issued, and if issued, may not be legal or honored by the entities that issued them.

WE NEED ADDITIONAL CAPITAL FOR OUR OPERATIONS.

Until Odyssey begins to generate revenue from the sale of recovered items, we will need additional capital in order to continue the search, recovery and marketing phases of our projects. We may not be able to raise additional capital on acceptable terms.

5

THERE IS ONLY A LIMITED PUBLIC MARKET FOR OUR SHARES.

Although there is a limited market for our common stock, there can be no assurance that such a market can be sustained. The investment community could show little or no interest in Odyssey in the future. As a result, purchasers of the shares may have difficulty in selling such shares should they desire to do so. Our common stock currently trades on the OTC Bulletin Board.

TRADING IN OUR SHARES MAY BE LIMITED BY THE "PENNY-STOCK" RULES.

Our shares may be subject to a rule that imposes additional sales practice requirements on brokers who sell such shares to persons other than established customers (as defined in the rule) and accredited investors (generally, institutions and, for individuals, an investor with assets in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 together with such investor's spouse). For transactions covered by this rule, the broker must make a special suitability determination for the purchaser and must have received the purchaser's written consent to the transaction prior to the purchase. Consequently, many brokers may be unwilling to engage in transactions in our shares because of the added disclosure requirements. This would make it more difficult for shareholders to resell common stock in the market.

OUR ARTICLES OF INCORPORATION AUTHORIZE GENERIC PREFERRED STOCK.

Our articles of incorporation authorize the issuance of up to 10,000,000 shares of preferred stock. The Board of Directors has the right to establish the terms, preference, rights and restrictions of the preferred stock. Such preferred stock could be issued with terms, rights, preferences and restrictions that could discourage other persons from attempting to acquire control and thereby insulate incumbent management. In certain circumstances, the existence of corporate devices that would inhibit or discourage takeover attempts could have a negative effect on the market value of our common stock.

### COMPANY INFORMATION

This Prospectus is accompanied by a copy of our Annual Report on Form 10-KSB for our fiscal year ended February 28, 2002, and our Quarterly Report on Form 10-QSB for the quarter ended July 31, 2002, which reports are incorporated by reference into this Prospectus in their entirety.

### USE OF PROCEEDS

Odyssey will not receive any proceeds from the sale of the common stock by the selling shareholders.

To the extent that any of the warrants held by the selling shareholders are exercised, up to approximately \$3,000,000 may be received by Odyssey. Any



## Edgar Filing: ODYSSEY MARINE EXPLORATION INC - Form S-2

net proceeds received from the exercise of the warrants will be used for general corporate purposes.

### RECENT MATERIAL CHANGES IN OUR BUSINESS

There have been no material changes in our business since February 28, 2002, that have not been reported in our Reports on Form 10-QSB, except as follows:

In September 2002 we entered into a transaction in which we sold one share of our Series C Convertible Preferred Stock (the "Preferred Stock") at a price of \$500,000 to J.L. Holding International, Inc., a Bahamian corporation, which has no prior affiliation with Odyssey.

6

The proceeds of the \$500,000 investment were used to capitalize OVH, Inc., ("OVH") a new formed, wholly-owned subsidiary of Odyssey.

OVH subsequently entered into a transaction to purchase the 113-foot research vessel "Edwin Link" from Starboard Yacht Sales (an unaffiliated entity) for \$465,000. We intend to use this vessel in connection with the search operations on the Bavaria Project and also intend to lease the vessel to others. OVH will use the remaining proceeds to equip the vessel.

J.L. Holding has the option for two years of converting the Preferred Stock into 400,000 shares of our common stock and a warrant to purchase an additional 400,000 shares at an exercise price of \$2.50 per share. Alternatively, the holder may convert the Preferred Stock into 100% of the outstanding common stock of OVH. In the event that J.L. Holding does not convert the Preferred Stock during the first six months after it is issued, we have the option to redeem the Preferred Stock and pay for it by transferring to J.L. Holding 100% of the outstanding stock of OVH.

### SELLING SHAREHOLDERS

The securities being offered hereby are 3,650,000 shares being offered for resale by certain shareholders. Of those shares, the selling shareholders currently hold 2,050,000. Up to 800,000 shares are issuable upon exercise of warrants held by the selling shareholders. Up to 400,000 shares and 400,000 shares underlying warrants may be issued upon the conversion of Preferred stock and exercise of the warrants issuable on the conversion of Preferred Stock. The shares are being offered for the account of shareholders in the table below and their donees or pledgees.

The following table sets forth information concerning the selling shareholders, including:

- \* the maximum number of shares currently held to be offered;
- \* the number of shares issuable upon exercise of warrants;
- \* the number of shares offered by each selling shareholder.
- \* the number of shares issuable upon the conversion of preferred stock
- \* the number of shares issuable upon exercise of warrants issuable upon conversion of preferred stock

Odyssey has no knowledge of the intentions of any selling shareholder to

## Edgar Filing: ODYSSEY MARINE EXPLORATION INC - Form S-2

actually sell any of the securities listed under the columns "Shares Offered." There are no material relationships between any of the selling shareholders and Odyssey other than as disclosed below.

Selling Shareholder	Beneficial Ownership Before Offering		
	Number of Shares Currently Held to be Offered	Shares Issuable on Exer- cise of Warrants	Shares Offered
Michael V. Barton (1)	10,000	10,000	20,000
Robert R. Bears, Jr.	80,000	80,000	160,000
Robert R. Bears, Sr.	80,000	80,000	160,000
Lyle C. Blanden	20,000	20,000	40,000
Jan Boltres	20,000	20,000	40,000
Thomas Boltres and Arnoldine R. Boltres	20,000	20,000	40,000
Charitable Remainder Trust of Susan Anne Brasel	20,000	20,000	40,000

7

Selling Shareholder	Beneficial Ownership Before Offering - continued		
	Number of Shares Currently Held to be Offered	Shares Issuable on Exer- cise of Warrants	Shares Offered
Charitable Remainder Trust of Mary Jane Brasel	20,000	20,000	40,000
Canyon Group LLC	10,000	10,000	20,000
Charles W. Ciolino, Jr.	20,000	20,000	40,000
E. Eugene Cooke	20,000	20,000	40,000
Mid-Ohio Securities Corp., Custodian FBO Walter C. Copeland IRA 002075	20,000	20,000	40,000
Community National Bank, Cust FBO Michael L. Crifasi, IRA #332593	20,000	20,000	40,000
Eckerd College	250,000	-	250,000
Hugh N. Farrior	40,000	40,000	80,000
James L. Ferman, Jr.	20,000	20,000	40,000
Neal J. Fink, Co-Trustee of Adele S. Fink Trust No. 2	10,000	10,000	20,000
Delaware Charter FBO Joseph D. Freedman IRA	40,000	40,000	80,000
Jay M. Garner	20,000	20,000	40,000
Christopher Hall	20,000	20,000	40,000
Donald M. Lionetti	10,000	10,000	20,000
MacDougald Family Limited Partnership	1,000,000	-	1,000,000
Nelda D. Norbom	10,000	10,000	20,000
Richard A. Pawliger	10,000	10,000	20,000
Sawyer Family Partners Ltd.	20,000	20,000	40,000
Steven R. Simpson	40,000	40,000	80,000
Preston A. Whaley	160,000	160,000	320,000

Edgar Filing: ODYSSEY MARINE EXPLORATION INC - Form S-2

James K. Wiley	20,000	20,000	40,000
Carolyn A. Yokley & John H. Yokley, Jr.	20,000	20,000	40,000
Subtotal	2,050,000	800,000	2,850,000

Selling Shareholder	Number of Shares Issuable on Conversion of Preferred Stock	Shares Issuable on Exer- cise of Warrants (2)	Shares Offered
J.L. Holding International, Inc.	400,000	400,000	800,000
Total	2,450,000	1,200,000	3,650,000

(1) Michael V. Barton is Chief Financial Officer of Odyssey.

(2) These warrants are issuable to the Selling Shareholder on conversion of Series C Convertible Preferred Stock.

8

The beneficial ownership of the selling shareholders after the offering would be zero, except for the following persons:

Beneficial Ownership After Offering		
	Number of Shares Held	Percent of Class
Michael V. Barton	248,115 (1)	0.90%
Robert R. Bears, Jr.	10,600	0.04%
Lyle C. Blanden	53,112	0.19%
Jan Boltres	65,000	0.24%
Thomas Boltres and Arnoldine R. Boltres	60,305	0.22%
Canyon Group LLC	417,007	1.72%
Charitable Remainder Trust of Susan Anne Brasel	61,080	0.22%
Charitable Remainder Trust of Mary Jane Brasel	34,080	0.12%
Charles W. Ciolino, Jr.	31,000	0.11%
E. Eugene Cooke	921,048 (2)	3.35%
Mid-Ohio Securities Corp. Custodian FBO Walter C. Copeland IRA 002075	287,500	1.05%
Community National Bank, Cust FBO Michael L. Crifasi, IRA #332593	101,000 (3)	0.37%
Neal J. Fink, Co-Trustee of Adele S. Fink Trust No. 2	203,226	0.74%
Christopher Hall	10,000	0.04%

## Edgar Filing: ODYSSEY MARINE EXPLORATION INC - Form S-2

Donald M. Lionetti	13,000	0.05%
MacDougald Family Limited Partnership	9,883,008 (4)	33.85%
Nelda D. Norboom	17,127	0.06%
Richard A. Pawliger	148,998	0.55%
Sawyer Family Partners, Ltd.	85,784 (5)	0.31%
Steven R. Simpson	18,750	0.07%
Preston A. Whaley	3,000	0.01%
James K. Wiley	7,000	0.03%

- 
- (1) Includes 64,115 shares held by Mr. Barton and his wife; 49,000 shares held by Mr. Barton's wife; and 135,000 shares underlying currently exercisable stock options held by his wife.
  - (2) Includes 823,548 shares and 97,500 shares underlying currently exercisable stock options held by Mr. Cooke.
  - (3) Includes 75,000 shares held by Community National Bank, Cust FBO Michael L. Crifasi, IRA #332593 and 26,000 shares held by Michael Crifasi.
  - (4) Includes 8,114,008 shares held directly and 1,769,000 shares underlying currently exercisable stock options, beneficially held by MacDougald Family Limited Partnership (MFLP), MacDougald Management, Inc. (MMI), and James E. MacDougald. The limited partners of MFLP are James E. MacDougald, his wife Suzanne M. MacDougald, and two trusts created for the children and grandchildren of Mr. and Mrs. MacDougald. MMI is the general partner of MFLP.

9

- (5) Includes 47,157 shares held by Sawyer Family Partnership, Ltd. and 38,627 shares held by Jon Sawyer.

The information concerning the selling shareholders may change from time to time and will be set forth in supplements to this prospectus.

### PLAN OF DISTRIBUTION

The selling shareholders and their successors, including their transferees, pledgees or donees of their successors, may sell the common stock directly to purchasers or through underwriters, broker-dealers or agents, who may receive compensation in the form of discounts, concessions or commissions from the selling holders or the purchasers. These discounts, concessions or commissions as to any particular underwriter, broker-dealer or agent may be in excess of those customary in the types of transactions involved.

The common stock may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of sale, at prices related to the prevailing market prices, at varying prices determined at the time of sale, or at negotiated prices. These sales may be effected in transactions, which may involve crosses or block transactions:

- on any national securities exchange on which the common stock may be listed, or U.S. inter-dealer system of a registered national securities association on which the common stock may be listed or quoted at the time of sale;

## Edgar Filing: ODYSSEY MARINE EXPLORATION INC - Form S-2

- in the over-the-counter market;
- in transactions otherwise than on these exchanges or systems or in the over-the-counter market; or
- through the writing of options, whether the options are listed on an options exchange or otherwise.

In connection with the sale of the common stock or otherwise, the selling shareholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the common stock in the course of hedging the positions they assume.

The aggregate proceeds to the selling shareholders from the sale of the common stock offered by them will be the purchase price of the common stock less discounts and commissions, if any. Each of the selling shareholders reserves the right to accept and, together with their agents from time to time, to reject, in whole or in part, any proposed purchase of common stock to be made directly or through agents. We will not receive any of the proceeds from this offering.

In order to comply with the securities laws of some states, if applicable, the common stock may be sold in these jurisdictions only through registered or licensed brokers or dealers. In addition, in some states the common stock may not be sold unless they have been registered or qualified for sale or an exemption from registration or qualification requirements is available and is complied with.

The selling shareholders and any underwriters, broker-dealers or agents that participate in the sale of the common stock may be "underwriters" within the meaning of Section 2(11) of the Securities Act. Any discounts, commissions, concessions or profit they earn on any resale of the shares may be underwriting discounts and commissions under the Securities Act. Selling shareholders who are "underwriters" within the meaning of Section 2(11) of the Securities Act will be subject to the prospectus delivery requirements of the Securities Act. The selling shareholders have acknowledged that they understand their obligations to comply with the provisions of the Exchange Act and the rules thereunder relating to stock manipulation, particularly Regulation M.

10

In addition, any securities covered by this prospectus that qualify for sale pursuant to Rule 144 of the Securities Act may be sold under Rule 144 rather than pursuant to this prospectus. A selling shareholder may not sell any common stock described in this prospectus and may not transfer, devise or gift these securities by other means not described in this prospectus.

To the extent required, the specific common stock to be sold, the names of the selling shareholders, the respective purchase prices and public offering prices, the names of any agent, dealer or underwriter, and any applicable commissions or discounts with respect to a particular offer will be set forth in an accompanying prospectus supplement to, if appropriate, a post-effective amendment to the registration statement of which this prospectus is a part.

The registration statement of which this prospectus is a part is being filed pursuant to registration rights that we have provided to the selling shareholders under applicable federal and state securities laws under specific circumstances and at specific times. We will pay all of the expenses incurred

## Edgar Filing: ODYSSEY MARINE EXPLORATION INC - Form S-2

in connection with the registration of the common stock.

### DESCRIPTION OF SECURITIES

Odyssey has 110,000,000 authorized shares of stock, consisting of 100,000,000 shares of common stock, having a par value of \$.0001 per share, and 10,000,000 shares of preferred stock, having a par value of \$.0001 per share.

#### COMMON STOCK

As of September 13, 2002, there were 27,430,087 shares of common stock outstanding. All such outstanding shares of common stock are fully paid and non-assessable. Each share of common stock has an equal and ratable right to receive dividends when declared by the Board of Directors of Odyssey out of assets legally available for that purpose and subject to the dividend obligations of Odyssey to holders of any preferred stock then outstanding.

In the event of a liquidation, dissolution or winding up of Odyssey, the holders of common stock are entitled to share equally and ratably in the assets available for distribution after payment of all liabilities, and subject to any prior rights of any holders of preferred stock outstanding at that time.

The holders of common stock have no preemptive, subscription, conversion or redemption rights, and are not subject to further calls or assessments of Odyssey. Each share of common stock is entitled to one vote in the election of directors and on all other matters submitted to a vote of stockholders. Cumulative voting in the election of directors is not permitted.

#### PREFERRED STOCK

Preferred stock may be issued from time to time in one or more series, and the board of directors, without further approval of the stockholders, is authorized to fix the dividend rates and terms, conversion rights, voting rights, redemption rights and terms, liquidation preferences and any other rights, preferences, privileges and restrictions applicable to each series of preferred stock. The purpose of authorizing the board of directors to determine such rights, preferences, privileges and restrictions is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, adversely affect the voting power of the holders of common stock and, under some circumstances, make it more difficult for a third party to gain control of Odyssey.

11

#### Series C Convertible Preferred Stock

We have issued and outstanding one share of Series C Convertible Preferred Stock par value \$.0001 per share which carries the powers, designations, preferences and relative participating options or other rights as specified in the Certificate of Designation for Series C Convertible Preferred Stock. This share may be converted at any time during the period September 6, 2002 through September 6, 2004 into either (i) 400,000 shares of Odyssey Marine Exploration common stock and warrants for the purchase of 400,000 shares of Odyssey Marine Exploration common stock at an exercise price of \$2.50 per share, or (ii) for the outstanding common stock of OVH, Inc., a Nevada corporation and wholly owned subsidiary of Odyssey Marine Exploration. OVH, Inc. is the owner of the

## Edgar Filing: ODYSSEY MARINE EXPLORATION INC - Form S-2

vessel R/V Odyssey which was purchased for \$465,000 using the proceeds of the sale of the Series C Convertible Preferred Stock.

### WARRANTS

Odyssey is registering the resale of the common stock issuable upon the exercise of certain warrants pursuant to the registration statement of which this prospectus is a part. As part of a private placement that was completed in May 2002, Odyssey issued warrants to purchase 800,000 shares of common stock. The warrants give the holders the right to purchase shares of common stock at \$2.50 per share. These warrants are exercisable until May 15, 2005.

If the holder of the Series C Convertible Preferred Stock converts such stock into shares of Odyssey Marine Exploration common stock, warrants will be issued to the holder to purchase 400,000 shares of common stock at \$2.50 per share. These warrants will expire one year from the date a registration statement registering the resale of the shares of common stock issuable upon exercise of the warrant is declared effective by the Securities and Exchange Commission or three years from the date of issuance if no such registration is declared effective.

### LEGAL MATTERS

The legality of the shares offered hereby are being passed upon for Odyssey by Krys Boyle, P.C., 600 17th Street, Suite 2700 South, Denver, Colorado 80202. Jon D. Sawyer, a shareholder in Krys Boyle, P.C., beneficially owns 165,784 shares of Odyssey's common stock, a portion of which are being offered for resale by this prospectus.

### EXPERTS

The financial statements incorporated by reference in this prospectus have been audited by Ferlita, Walsh & Gonzalez, P.A., independent certified public accountants, to the extent and for the periods set forth in their report, incorporated by reference herein, and are incorporated herein in reliance upon such report given upon the authority of that firm as experts in accounting and auditing.

12

### WHERE YOU CAN FIND MORE INFORMATION

This prospectus is part of a registration statement on Form S-2 filed by Odyssey with the Securities and Exchange Commission under the Securities Act of 1933 (Registration No. 333-\_\_\_\_\_). We refer you to that registration statement and the exhibits thereto for further information with respect to Odyssey and the shares offered hereby.

Odyssey files annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission (Commission File No. 0-26136). These filings contain important information which does not appear in this prospectus. For further information about Odyssey, you may obtain these filings over the internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy these filings at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. You may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330, and may obtain copies of Odyssey's filings from the public reference room by calling (202) 942-8090.

## Edgar Filing: ODYSSEY MARINE EXPLORATION INC - Form S-2

The following documents filed by Odyssey with the Commission are incorporated herein by reference:

- (a) Odyssey's annual report on Form 10-KSB for the fiscal year ended February 28, 2002 (SEC File No. 0-26136).
- (b) Odyssey's annual report on Form 10-QSB for the fiscal quarter ended July 31, 2002 (SEC File No. 0-26136).
- (c) Odyssey's current report on Form 8-K dated September 19, 2002 (SEC File No. 0-26136).
- (d) The description of Odyssey's shares contained in the registration statement on Form 8-A (SEC File No. 0-26136) filed on May 24, 1995.

Odyssey will provide without charge to each person to whom this prospectus is delivered, on the written or oral request of such person, a copy of any document incorporated herein by reference, excluding exhibits. Requests should be made to Odyssey, 3604 Swann Avenue, Tampa, Florida 33609, telephone (813) 876-1776, and directed to the attention of John C. Morris, President.

13

### PART II. INFORMATION NOT REQUIRED IN PROSPECTUS

#### ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following expenses incurred in connection with the sale of the securities being registered will be borne by the Registrant. Other than the registration fee, the amounts stated are estimates.

Registration Fees . . . . .	\$ 396
Legal Fees and Expenses . . . . .	4,000
Accounting Fees and Expenses. . . . .	1,000
Miscellaneous . . . . .	604
	-----



Edgar Filing: ODYSSEY MARINE EXPLORATION INC - Form S-2

TOTAL . . . . . \$6,000  
=====

ITEM 15. INDEMNIFICATION OF OFFICERS AND DIRECTORS.

The only statute, charter provision, bylaw, contract, or other arrangement under which any controlling person, director or officer of Odyssey is insured or indemnified in any manner against any liability which he may incur in his capacity as such, is as follows:

(a) Subsection (1) of Section 78.751 of the Nevada Corporation Law empowers a corporation to "indemnify any person who is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the corporation, by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the action, suit or proceeding if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and that, with respect to any criminal action or proceeding, he had reasonable cause to believe that his conduct was unlawful."

Subsection (2) of Section 78.751 empowers a corporation to "indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including amounts paid in settlement and attorneys' fees actually and reasonably incurred by him in connection with the defense or settlement of the action or suit if he acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation. Indemnification may not be made for any claim, issue or matter as to which such a person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable to the corporation or for amounts paid in settlement to the corporation, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnify for such expenses as the court deems proper."

II-1

Subsection 78.751(3) further provides that "to the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections 1 and 2, or in defense of any claim, issue or matter herein, he must be indemnified by the corporation against expenses, including attorneys' fees, actually and reasonably incurred by him in connection with

## Edgar Filing: ODYSSEY MARINE EXPLORATION INC - Form S-2

the defense."

(b) Article VII of Odyssey's Articles of Incorporation provides that Odyssey is authorized to indemnify directors, officers, employees and agents to the full extent allowed for under the Nevada Business Corporation Act.

(c) Article XI of the Articles of Incorporation of Odyssey provides that no director, officer or stockholder of Odyssey shall be personally liable for damages for breach of fiduciary duty as a director or officer; provided, that this provision shall not eliminate liability of a director or officer for acts or omissions involving intentional misconduct, fraud or a knowing violation of law or payments or distributions in violation of Nevada law.

### ITEM 16. EXHIBITS.

Exhibit Number -----	Description -----	Location -----
3.1	Articles of Incorporation	Incorporated by reference to Exhibit 4.1 to the Company's Form S-8 Registration Statement (File No. 333-50325)
3.2	Bylaws	Incorporated by reference to Exhibit 4.2 to the Company's Form S-8 Registration Statement (File No. 333-50325)
3.3	Certificate of Designation by Series C Convertible Preferred Stock	Incorporated by reference to Exhibit 3.1 to the Company's Report on Form 8-K dated September 19, 2002
5	Opinion of Krys Boyle, P.C., with respect to the legality of the securities being registered	Filed herewith electronically
23.1	Consent of Ferlita, Walsh & Gonzalez, P.A., Independent Certified Public Accountants	Filed herewith electronically
23.2	Consent of Krys Boyle, P.C.	Included in Exhibit No. 5

### ITEM 17. UNDERTAKINGS.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the 1933 Act;

II-2

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the

## Edgar Filing: ODYSSEY MARINE EXPLORATION INC - Form S-2

registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) ([Section] 230.424(b) of this chapter) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, that paragraphs (1)(i) and (1)(ii) do not apply if the registration statement is on Form S-3 or Form S-8, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by Odyssey pursuant to Section 13 or Section 15(d) of the 1934 Act that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the 1933 Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned registrant hereby undertakes to deliver or cause to be delivered with the prospectus, to each person to whom the prospectus is sent or given, the latest annual report to security holders that is incorporated by reference in the prospectus and furnished pursuant to and meeting the requirements of Rule 14a-3 or Rule 14c-3 under the Securities Exchange Act of 1934; and, where interim financial information required to be presented by Article 3 of Regulation S-X are not set forth in the prospectus, to deliver or cause to be delivered to each person to whom the prospectus is sent or given, the latest quarterly report that is specifically incorporated by reference in the prospectus to provide such interim financial information.

Insofar as indemnification for liabilities arising under the 1933 Act may be permitted to directors, officers and controlling persons of Odyssey pursuant to the foregoing provisions, or otherwise, Odyssey has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the 1933 Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by Odyssey of expenses incurred or paid by a director, officer or controlling person of Odyssey in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, Odyssey will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the 1933 Act and will be governed by the final adjudication of such issue.

## Edgar Filing: ODYSSEY MARINE EXPLORATION INC - Form S-2

### SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-2 and has duly caused this Registration Statement on Form S-2 to be signed on its behalf by the undersigned, hereunto duly authorized, in Tampa, Florida, on September 20, 2002.

ODYSSEY MARINE EXPLORATION, INC.

By: /s/ John C. Morris  
John C. Morris, President

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

SIGNATURES	TITLE	DATE
/s/ John C. Morris John C. Morris	President and Chairman of the Board of Directors	September 20, 2002
/s/ Gregory P. Stemm Gregory P. Stemm	Vice President and Director	September 20, 2002
/s/ David A. Morris David A. Morris	Secretary and Treasurer (Principal Accounting Officer)	September 20, 2002
/s/ Michael V. Barton Michael V. Barton	Chief Financial Officer	September 20, 2002
_____ Henri G. DeLauze	Director	
/s/ George Knutsson George Knutsson	Director	September 20, 2002
/s/ David J. Saul David J. Saul	Director	September 20, 2002