



Titanic Survey Expedition Update

Over the last few weeks since the ship operator withdrew the Havila Harmony, OceanGate Expeditions, Ltd. has been working to keep our Mission Specialists, partners, researchers, vendors and investors informed of our status and plans. The last minute ship withdrawal has created many challenges for both OceanGate Expedition as well as its parent company, OceanGate, Inc. Not only did the expedition delay cause the loss of substantial media revenue, on the Thursday before the cancellation we had a signed \$1.1M sponsorship agreement with a major internet brand that had to be cancelled as well. As small companies, both entities have relied on private investors for the tens of millions of dollars it has taken to get the project to this point. Our plan was to do a large equity round after the Titanic, given the recent events we have accelerated this process.

We have had multiple discussions with the ship broker to settle claims we may have against them. As they are a Norwegian company and the contract calls for disputes to be resolved in a UK arbitration court, we are not optimistic of seeing meaningful funds from them in the near term. While they claim the substitute vessel was adequate, we clearly rejected it weeks prior with good cause.

Our current priorities:

- Relocating our equipment from The Bahamas to Everett
- Reaching settlement with Reach Subsea
- Planning dives in the Seattle/Everett area this summer
- Accelerating our capital raise

Going forward plans:

- Continue testing of our laser and video systems through dives of Titan in Seattle
- Conduct shark behavior dives in the Puget Sound
- Conduct wreck dives around the Puget Sound and possibly Lake Washington
- Locate a ship for next year's expedition – We had planned on using Reach Subsea, but obviously will not do so, therefore, the exact dates and vessel need to be identified before firm dates can be offered.

OceanGate Expeditions has been very open about our testing and the unique nature of what we are attempting to accomplish. The vast majority of our Mission Specialists appreciate the complexity of our mission and, while disappointed, are comfortable waiting to 2020 for the mission execution. However, there are those who have “lost confidence” in the project and have requested a refund. Unfortunately, until we have sufficient resources to fulfil our obligations to all our Mission Specialists and expedition partners, we cannot consider refunding Mission Specialist nonrefundable support fees. Per the Mission

Specialist agreements support fees are not held in escrow after agreed commitment dates as they are necessary to underwrite the expedition. Any confusion on this subject is regrettable. A review of our communications and public releases shows that we have been clear about the challenges we face and that is why there has only ever been a **100% credit offered** in the Mission Specialists Agreement if we must slip the mission or cancel a dive for anything other than weather.

Since inception, this project has been presented as a participatory expedition and not a tourist event. If there are Mission Specialists that do not want to participate, it is in the interest of Oceangate Expeditions and the remaining specialists to locate replacements and/or solidify alternative arrangements. While we do not have a path defined today, we will be working to create alternatives in the coming months depending on the success of our financing efforts.

Near term, we will be diving Titan and Cyclops 1 repeatedly in the Seattle area starting in mid-July. We invite Titanic Expedition Mission Specialists not seeking refunds to participate in these events at no charge. Firm dates will be outlined in the next few weeks and space may be limited. While not a substitute for the Titanic, these will be unique dives and will give exposure to our vessels and technology before the 2020 expedition.

We apologize for the continued delay in the Titanic Survey Expedition and are doing everything possible to fulfill our obligations and execute the expedition in 2020.

While [REDACTED] is out on medical leave, I will be filling in for him.

Sincerely,

[REDACTED]

Strategic Advisor

OceanGate Expeditions, Ltd.