

**MARINE EXPLORATION, INC.**  
QUARTERLY REPORT – PERIOD ENDED JUNE 30, 2012  
October 4, 2012

**Item I: The exact name of the Issuer and The address of the Issuer’s principal executive office.**

Marine Exploration, Inc. (“the Company”).

Address: 2600 South Douglas Road  
Penthouse 10  
Coral Gables, Florida 33134

Phone: 786-235-0870 Fax: 305-447-0389

Website: [www.usmarineexploration.com](http://www.usmarineexploration.com)

Contact Info: [jerry@emersongerard.com](mailto:jerry@emersongerard.com)

The issuer was incorporated in Colorado in 1996.

**Item II: Shares Outstanding**

Common stock

CUSIP: 56824A 202

Trading Symbol: “MEXP”

Preferred Stock

CUSIP: N/A

Trading Symbol: N/A

- A. Par or Stated Value.  
-Common Stock - \$0.001 -Preferred Stock - \$0.001
- B. Common or Preferred Stock  
For common equity, describe any dividend, voting and preemption rights.
- No dividend has been declared on common stock since inception. Each share of common stock is entitled to one vote on any matters brought before stockholders. Common stock does not have preemptory rights.
  - 10,000,000 shares of the Preferred Stock have been designated as Series A Preferred. The Series A Preferred have superiority in voting rights equal to 10 votes per share and have the right to elect the majority of the Directors to the Board of the Company and amend the Certificate of Incorporation of the Company as necessary. The Series A Stock shall be convertible, at option of the holder, into 10 shares of common stock.

As of the most recent fiscal quarter ended **June 30, 2012**, there were:

Shares Authorized: 1,600,000,000 common; 100,000,000 preferred

Shares Outstanding: 1,541,247,087 common; 90,000,000 preferred

Public Float: 1,401,847,794 as of 6/30/12

Shareholders of Record: 212

**Item III: Interim financial statements**

**Please see below -**

**MARINE EXPLORATION, INC.**  
**QUARTERLY BALANCE SHEET**  
**June 30th , 2012**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 799,289
TOTAL CURRENT ASSETS	<u>799,289</u>

EQUIPMENT (net of accumulated depreciation) 1,005,000

**OTHER ASSETS**

Intangible assets (net of accumulated amortization)	<u>411,125</u>
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TOTAL ASSETS \$ 2,215,414

**LIABILITIES AND STOCKHOLDERS EQUITY**

**CURRENT LIABILITIES**

Income taxes payable	-
Notes payable	668,667
Accounts payable	5,500
Long term liabilities	-
Deferred Income Taxes	<u>-</u>

TOTAL CURRENT LIABILITIES \$ 674,167

**STOCKHOLDERS' EQUITY**

Common stock, \$.001 par value, 1,600,000,000 shares  
authorized 1,541,247,087 shares issued and outstanding

TOTAL STOCKHOLDERS EQUITY 1,541,247

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY 2,215,414

**MARINE EXPLORATION, INC.**  
**NOTES TO COMPILED FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies conform to U.S. generally accepted accounting principles. The following policies are considered to be significant:

*Business Organization*

Marine Exploration, Inc. is incorporated in the state of Colorado. The Company was organized to engage in the business of maritime research, search and salvage. The Company is currently headquartered in Coral Gables, Florida.

*Cash and Cash Equivalents*

Cash equivalents are generally comprised of certain highly liquid investments with original maturities of less than three months.

*Equipment*

Equipment is carried at cost net of accumulated depreciation. Depreciation expense is computed principally on the straight-line methods in amounts sufficient to write off the cost of depreciable assets over their estimated useful life.

Normal maintenance and repair items are charged to costs and expenses as incurred. The cost and accumulated depreciation of property and equipment sold or otherwise retired are removed from the accounts and gain or loss on disposition is reflected in net income in the period of disposition.

*Intangible Assets*

Intangible assets subject to amortization may include patents, contracts and goodwill. Patents are amortized over the shorter of their legal or useful lives while goodwill is periodically reviewed for impairment.

*Income Taxes*

The Company uses an asset and liability approach to financial accounting and reporting for income taxes. The difference between the financial statement and tax basis of assets and liabilities is determined quarterly. Deferred income tax assets and liabilities are computed for those differences that have future tax consequences using the currently enacted tax laws and rates that apply to the periods in which they are expected to affect taxable income. Valuation allowances are established, if necessary, to reduce the deferred tax asset to the amount that will be more likely than not be realized. Income tax expense is the current tax payable or

refundable for the period, plus or minus the change in the deferred tax assets and liabilities.

Income taxes are provided for the tax effects of transactions reported in the financial statements and consists of taxes currently due plus deferred taxes of operating losses that are available to offset.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. In these financial statements assets, liabilities, and earnings involve reliance on management's estimate. Actual results could differ from those estimates.

Advertising and Promotion

All costs associated with advertising and promoting the Company are expensed in the year incurred. The Company has not incurred any advertising expenses for the quarter ended June 30, 2011.

Management Review Date

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through June 30, 2012.

NOTE 2 -

NOTES PAYABLE as referenced on the June 30, 2012 Balance Sheet and Financials:

Convertible Promissory Note: BOCO Investments, LLC, Face value of \$700,000.00, Date Note executed: October 17<sup>th</sup>, 2008.

Convertible Promissory Note: West Mountain Asset Management, Inc., Face value of \$60,000.00, Date Note executed: February 28, 2011; Date Note mature: September 9, 2011.

Convertible Promissory Note: Eniram Resources, Inc., remaining value of \$25,000.00, Date Note executed: May 28, 2009; Date Note mature: May 28, 2010.

Convertible Promissory Note Arthur Friedman remaining value of \$25,000.00, Date Note executed: July 1, 2009; Date Note mature: July 1, 2010.

Convertible Promissory Note: Calogero Tumminello, remaining value of \$10,000.00. Date Note executed: March 10, 2010. Date Note mature: March 11, 2011.

Convertible Promissory Note: Mark Goldberg, face value of \$110,000.00. Date Notes executed: January 31, 2011 – March 31, 2012. Date Note mature: June 30, 2011-September 30, 2012.

Convertible Promissory Note: Rosendo Alvarez, III, face value of \$100,000.00. Date Notes executed: January 31, 2011 - March 31, 2012. Date Note mature: June 30, 2011-September 30, 2012.

Convertible Promissory Note: Michael Scaglione, face value of \$110,000.00. Date Notes executed: January 31, 2011 – March 31, 2012. Date Note mature: June 30, 2011-September 30, 2012.

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**MARINE EXPLORATION, INC.**  
**COMPILED STATEMENTS OF STOCKHOLDERS EQUITY**  
**FOR THE MONTHS ENDED JUNE 30, 2012**

	<u>Common Stock</u> <u>Shares</u>	<u>Amount</u>
Balance June 30 <sup>th</sup> , 2012	1,541,247,087	1,541,247

**MARINE EXPLORATION, INC.**  
**COMPILED STATEMENTS OF OPERATIONS**  
**JUNE 30, 2012**

	<b>QUARTER Ended <u>JUNE 30, 2012</u></b>
INCOME	-
Revenue	-
Cost of good sold	-
GROSS PROFIT	-
EXPENSES	
General and administrative	(10,500)
Depreciation and amortization	-
OPERATING LOSS	(10,500)
Loss before income taxes	(10,500)
Income tax (benefit)	-
NET LOSS	(10,500)

**MARINE EXPLORATION, INC.**  
**COMPILED STATEMENTS OF CASH FLOWS**  
**FOR THE MONTHS ENDED JUNE 30, 2012**

**Months Ended**  
**JUNE 30, 2012**

CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES

Net income (loss)	(10,500)
Adjustments to reconcile net income (loss) to net Cash flows from (used by) operating activities:	
Depreciation	-
Amortization	-
Deferred income taxes	-
Increase (decrease) in liabilities:	
Income tax payable	-
Net cash flows from (used by) operating activities	(10,500)

#### **Item IV: Management's discussion and analysis or plan of operation.**

*This report contains forward-looking statements that involve risks and uncertainties, such as statements about our plans, objectives, expectations, assumptions, or future events. In some cases, you can identify forward-looking statements by terminology such as "anticipate," "estimate," "plan," "project," "predict," "potential," "continue," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could," or the negative of these terms or other comparable terminology. These statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from any future results, performances, or achievements expressed or implied by the forward-looking statement. Actual future results and trends may differ materially from those made in or suggested by any forward-looking statements due to a variety of factor. Consequently, you should not place undue reliance on these forward-looking statements. The forward-looking statements speak only as of the date on which they are made and, except as required by law, we undertake no obligations to update any forward-looking statement to reflect the occurrence of unanticipated events. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.*

##### **A. Plan of Operations**

The Company's future operations depend upon capital from future financing activities such as subsequent offerings of its stock. During the next twelve months, the Company plans to satisfy its cash requirements by additional equity financing as well as revenue generated from actual operations. The Company is currently in negotiations to raise such additional capital, but has not yet received a current material commitment. The Company plans to undertake private placements of its common stock in order to raise future development and operating capital. There can be no assurances that the Company will be successful in raising the capital it requires through the sale of its common or preferred stock.

##### **B. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

As noted above, the Company is in negotiations with one or more private investors for the sale of the Company's equity. Upon completion of the funding event, the Company's liquidity will improve dramatically. Also, the Company's access to the public markets should improve liquidity. Further, the Company's efforts to produce revenue generation directly from its operations is anticipated to provided additional working capital in the next 12 month period.

##### **C. Off Balance Sheet Arrangements.**

The Company has no off balance sheet arrangement that is reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues

or expenses, results of operations, liquidity, capital expenditure or capital resources that is material to investors.

**Item V: Legal proceedings.**

The Company is a judgment debtor in the legal proceeding: X-Clearing Corporation v. Marine Exploration, Inc., Case No. 2010cv8563, District Court, City and County of Denver. This was litigation filed by the Company's former transfer agent seeking alleged fees and penalties because the Company allegedly announced its plans to move from physical transfer to electronic transfer of stock (the Company never actually announced such a move). Additionally, the Company has been sued in the Dominican Republic by several ex-divers making claims for unpaid wages. However, the divers were actually employees of the Company's joint venture partner, Hispaniola Ventures, LLC. Therefore, the ex-divers, if their claims are legitimate, have sued the incorrect company. The suit is currently being defended by the Company's Dominican counsel and no activity has occurred in the case since the Company's last Quarterly Report.

**Item VI: Defaults upon senior securities.**

If there has been any material default in the payment of principal, interest, a sinking or purchase fund installment, or any other material default not cured within 30 days, with respect to any indebtedness of the issuer exceeding 5% of the total assets of the issuer, (i) identify the indebtedness and (ii) state the nature of the default, the amount of the default and the total arrearage as of a recent date.

NONE

If any material arrearage in the payment of dividends has occurred or if there has been any other material delinquency not cured within 30 days, with respect to any class of preferred stock of the issuer, give the title of the class and state the nature of the arrearage or delinquency. In the case of a default in the payment of dividends, state the amount and the total arrearage as of a recent date.

NONE

**Item VII: Other information.**

NONE

**Item 8 Exhibits.**

NONE. (Financials are incorporated directly into response for Item III).

**Item IX: Certifications.**

I, Mark Goldberg, CEO and Interim CFO, certify that:

1. I have reviewed this Quarterly Report of Marine Exploration, Inc.;
2. Based on my knowledge, this Quarterly Report does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and.
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this Quarterly Report, fairly represent in all material respects, the financial condition, results of operation and cash flows of the issuer as of, and for, the periods presented in this Quarterly Report.

October 4, 2012

/s/ Mark Goldberg

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Mark Goldberg  
Chief Executive Officer  
Interim Chief Financial Officer