



Ocean Power technologies Announces First Project in UK

February 2, 2006

Ocean Power Technologies, Inc ("OPT" or the "Company") (London Stock Exchange: AIM-OPT) announced today that it has been selected to occupy a position at the South West Wave Hub Project to install a PowerBuoy™ station off the north coast of Cornwall. This will be the Company's first project in the UK. The Wave Hub project, which is being backed by the South West of England Regional Development Agency (RDA), will provide a direct connection to the national grid 10 miles out to sea off the coast of Hayle, along with a simplified permit process. This project is OPT's sixth PowerBuoy™ project making it a world leader in the deployment of wave power stations. Other project sites include Spain, France, Hawaii and New Jersey.

The OPT wave power station will be of 5MW capacity, initially expected to comprise the Company's 150 kW PowerBuoys, and may include 250kW devices for the final stage. In total there will be approximately 30 PowerBuoys deployed over the period 2007 - 2008. The PowerBuoys to be installed at the Wave Hub project will be based on those deployed at projects elsewhere in Europe and North America. OPT anticipates that this initial project will provide a launch pad for further UK wave power stations to capture a significant part of the potential 20,000 MW UK wave energy market.

Mark R. Draper, Chief Executive of Ocean Power Technologies Ltd, said, "Wave Hub offers us an excellent wave resource, and access to Cornwall's long standing manufacturing credentials, a skilled labour force and strong public support. We are thrilled to be underway with this exciting project in the UK."

Dr. George W. Taylor, Chief Executive Officer of OPT stated, "We are delighted with this progress in the UK. We have always recognised the European market would become a very important part of our international business and this announcement reinforces our decision to establish OPT Ltd as a significant presence in the UK."

Nick Harrington, the South West RDA's Wave Hub Project Manager, said, "There was significant interest in this project with sixteen expressions of interest. We evaluated each company based on a set of criteria, including how advanced they were with their projects. We are delighted that OPT is one of the successful companies as they bring with them significant international experience, tested technology and financial resources. All of this will ensure we get the maximum benefit for the South West's economy through manufacture and support of the devices and we hope to be able to introduce the company to the region's many leading edge research institutions with expertise in the marine, advanced engineering and environmental sectors."

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Background Information

Ocean Power Technologies, Inc.

OPT is the world's first publicly listed wave power company. It is commercialising its proprietary technology for the generation of electrical power using the energy of ocean waves. OPT's wave energy systems are based on modular, buoy-like structures, called PowerBuoys™, which are "intelligent" systems capable of responding to differing wave conditions. The Company's ocean-tested

systems have the potential to provide cost competitive, clean electrical power on a large scale.

OPT has recently deployed two of its PowerBuoys at customer sites off Hawaii and New Jersey, USA. The Hawaii system is in connection with OPT's on-going contract from the US Navy, and the New Jersey system is under a contract from the New Jersey Board of Public Utilities and has since deployment successfully withstood wave and wind forces generated by Hurricane Wilma.

In 2004 Iberdrola signed a Development Agreement with OPT for the development, construction and operation of a wave power station off the coast of the Cantabria region in northern Spain. This project is on-going and Total have also become a joint venture partner. The initial purpose of the joint venture is to build and operate a 1.25 MW wave power station. Following the successful completion of the initial OPT wave power it is expected that over the next several years hundreds of megawatts of OPT wave power stations will be installed.

In 2005 OPT signed an agreement with Total Energie Développement S.A.S and Iberdrola S.A. for the development of a wave power station in France. When a suitable site is identified with good local acceptance, all authorizations obtained, and the off-take of electricity in place, a wave power station with a capacity of up to 2-5 MW is expected to be installed in the second phase of the project. The Wave Hub Project

The total Wave Hub project is expected to create 100 jobs directly, and be a catalyst for the creation of an entire new industry building on the South West's traditional strengths of maritime and engineering expertise. This could mean up to 450 new jobs and £15 million a year to the regional economy by 2010, rising to around 700 jobs and £27 million a year by 2020. At least 40% of these jobs and 20% of the GVA benefits could be realised in Cornwall.

The South West RDA has already committed £2 million to the Wave Hub project and is seeking additional funding with a view to construction of the Wave Hub beginning next year.