



Ocean Power Technologies, Inc. Signs Agreement with Iberdrola S.A. for Spanish Wave Power Station

March 1, 2004

Ocean Power Technologies Inc., (London Stock Exchange AIM: OPT) ("OPT") announced today that it has signed a Memorandum of Understanding with Iberdrola S.A. to build an OPT Wave Power Station off the northern coast of Spain. Based in Madrid, Iberdrola is one of the largest renewable energy companies worldwide, is quoted on Madrid's top Ibex 35 companies, and presently has in excess of 2400 MW of installed renewable power generation in Spain.

The project, which is due to commence in March, 2004, will involve the building of a pilot plant with an initial capacity of 1.25 MW, with the possible expansion to 2.0 MW. Iberdrola will connect the power generated by the planned wave power station into the Spanish national grid.

Under the terms of the agreement, OPT and Iberdrola plan to form a joint venture for the development, construction, operating and financing of the project. In addition, the joint venture will proceed towards developing offshore wave power of up to 100 MW installed capacity. Mr Roberto Legaz, Iberdrola's Director of Renewable Development stated: "Iberdrola is firmly committed to renewable energy development. We are investing more than 2.4 billion euros in renewable energy over the period 2002 to 2006, to reach a capacity from these sources of 4,500 MW by the end of 2007." Mr. Legaz continued, "I believe that wave energy is the next renewable energy technology that will be commercialised. It is a natural complement to Iberdrola's extensive wind energy generation capacity. The modular nature of the OPT PowerBuoy System will allow for a rapid scale up in capacity and can help Iberdrola reach its goal of 4,500 MW of Renewable Power by 2007 ."

Dr. George W. Taylor, CEO of OPT commented: "Iberdrola has been in the forefront of incorporating the latest of renewable technologies into its electricity generating system. We are very pleased to be working with Iberdrola on the introduction of OPT's wave power technology into Spain. This agreement represents a significant step forward in the commercialisation of the OPT system, and the Atlantic coast line of Spain is well suited for OPT's PowerBuoys. A very small area off the coast could eventually generate a significant portion of Spain's electrical power requirements."

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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 oceantested systems have the potential to provide cost competitive, clean electrical power on a large scale without the enhancements of tax credits or subsidies. For further information, see the Company's website: www.oceanpowertechnologies.com. Iberdrola, S.A. Iberdrola is one of the largest renewable energy companies worldwide and also one of the largest electric power utilities in Europe. It has been in the forefront of incorporating the latest renewable technologies into its electricity generating systems. Capitalised at over 14 billion Euros (£9 billion) and listed on Spain's blue chip Ibex 35 index and the Euro Stoxx 50 index, Iberola produces power through a combination of hydroelectric, gas, wind power, and nuclear. Further information can be found on www.iberdrola.com. News release/iberdrola02_17_04.doc