



Ocean Power Technologies Awarded Major Wave Power Contract by US Navy

February 12, 2002

Ocean Power Technologies, Inc. (OPT) announced today that it received funding of four million three hundred thousand dollars (US \$4,300,000) from the US Navy's Office of Naval Research for the first major phase of a wave power project in Hawaii. Under this phase of the project, the Company expects to conduct site-related studies and oceanographic assessments, and to accomplish the initial deployments of its powerbuoy™ wave power generators off the island of Oahu. Dr. George W. Taylor, President and Chief Executive Officer said We are very pleased that the Company has been selected by the Navy to build this wave power station. Hawaii is an ideal location from the standpoint of indigenous wave resources, local production facilities and the opportunity to assist the Navy in expanding its commitment to sustainable development. Dr. Taylor also noted that an additional \$2.0 million of funding for this project has been provided in the 2002 Defense Appropriations budget recently signed by President Bush, and the Company expects to receive this added funding during 2002.

The project is being conducted in phases, with the goal to provide up to one megawatt of renewable ocean wave power. Electricity from the OPT power station will be connected to the local electrical grid serving a US Department of Defense Base. Dr. Al Tucker, Director of the Office of Naval Research's Ship Hull, Mechanical Science and Technology Division, stated, We believe that Ocean Power Technologies has developed a new approach to generating electrical power from the enormous energy within ocean waves. OPT is a good example of the Navy's interest in supporting technologies which help accomplish our mission worldwide, and which also have wide commercial application. OPT has previously developed key elements of its technology under contracts from the Office of Naval Research under the Small Business Innovation Research program.

Dr. Taylor stated further, OPT has received strong support from the US Navy, as well as from the New Jersey and the Hawaiian congressional delegations. We believe that this project will position the Company for expansion into the US and the international commercial marketplace.

Ocean Power Technologies, Inc. is a privately-held New Jersey company commercializing 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™. The Company's systems have the potential to provide low-cost, clean electrical power on a large scale. In addition to grid and remote power, specific applications for OPT's power generation systems include hydrogen generation for fuel cells, water treatment, desalination and natural resource processing. OPT has forged strategic alliances with Woodside Petroleum Ltd., the electric utility Powercor Australia Ltd. and Penta-Ocean Construction Co., Ltd. (a leading Japanese ocean engineering and construction company).

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