



Contract for First Powerbuoy at Reedsport, Oregon

August 21, 2007

PENNINGTON, N.J., Aug 21, 2007 (BUSINESS WIRE) -- Ocean Power Technologies, Inc ("OPT", or the "Company") (Nasdaq: OPTT and London Stock Exchange: AIM-OPT) and PNGC Power are pleased to announce that they have signed an agreement under which PNGC Power will provide funding of \$0.5 million to OPT toward the fabrication and ocean installation of the first PowerBuoy(R) system at the Reedsport OPT Wave Park located in Douglas County near Reedsport, Oregon. Under the contract, OPT will build and deploy a 150 kilowatt-rated non grid-connected PB150 PowerBuoy. The objective is to demonstrate the ocean wave resource and the performance of the PB150. Major portions of the system will be fabricated in Oregon and integrated near Reedsport.

This effort is the first phase of OPT's project to install its ocean-tested PowerBuoy systems initially generating a total of 2 MW approximately 2.5 miles off the coast near Reedsport. OPT has been issued a preliminary permit by the Federal Energy Regulatory Commission (FERC) for up to 50 MW of capacity at the site, and the Company plans to develop and operate the initial 2 MW grid-connected wave power park.

PNGC Power is a Portland, Oregon-based electric power cooperative serving 15 distribution cooperatives with service territory in seven western states. In addition to this agreement for the first PowerBuoy, PNGC will be supporting OPT in the permitting process and with on-shore power transmission for the project. PNGC Power also intends to work cooperatively with OPT and to provide its expertise regarding grid interconnection and its experience in meeting the standards of the Bonneville Power Administration, which operates much of the region's power system.

Dr. George W. Taylor, Chief Executive Officer of OPT, said: "PNGC Power makes an important contribution to the energy requirements of the Northwest, and we are very pleased to work with them in connection with the Reedsport OPT Wave Park. It is important that these initial phases of the project be done in close coordination with, and respect for, the various state and local organizations with interests in the wave park. PNGC has demonstrated that vision and practice, and we appreciate their cooperation and support."

John Prescott, PNGC Power President and Chief Executive Officer said, "Working with OPT on the project is consistent with our desire to investigate promising new generating technologies. The Reedsport OPT Wave Park represents innovative renewable generation technology which holds the promise of helping us meet our future energy needs."

An agreement previously signed by OPT and PNGC provides a framework under which PNGC and OPT may continue to work together in connection with the phased scale-up to a 50MW wave power park. Specifically, PNGC Power will have the option to participate in ownership or power purchase in future commercial phases of the project. PNGC Power also plans to work with other utilities to increase participation in this first-of-a-kind project in Oregon.

On February 15, 2007, OPT was issued a preliminary permit by FERC for the Reedsport project. The Company is fully engaged in consultations with key stakeholder groups and will continue to work closely with these groups over the various stages of the project. In September 2006 Oregon Governor Ted Kulongoski appointed an Oregon Solutions Team to help expedite the development and licensing of the Reedsport OPT Wave Power Park.

About Ocean Power Technologies, Inc.

Ocean Power Technologies, Inc. develops and is commercializing proprietary systems that generate electricity by harnessing the renewable energy of ocean waves. The Company's PowerBuoy(R) system is based on modular, ocean-going buoys, which have been ocean tested for nearly a decade. The waves move the buoy-like structure creating mechanical energy that the Company's proprietary technologies convert into electricity.

About PNGC Power

PNGC Power is a Portland-based electric power services cooperative owned by 15 Northwest electric distribution cooperative utilities with service territory in seven western states (Oregon, Washington, Idaho, Montana, Utah, Nevada and Wyoming). The company creates value for its member systems by providing sophisticated power management, technical innovation and cutting edge customer services and products. PNGC Power members include: Blachly-Lane Electric Cooperative, Central Electric Cooperative, Inc., Clearwater Power Company, Consumers Power Inc., Coos-Curry Electric Cooperative, Inc., Douglas Electric Cooperative, Fall River Rural Electric Cooperative, Lane Electric Cooperative, Inc., Lost River Electric Cooperative, Northern Lights, Inc., Raft River Rural Electric Cooperative, Inc., Okanogan County Electric Cooperative, Inc., Salmon River Electric Cooperative, Inc., Umatilla Electric Cooperative, West Oregon Electric Cooperative, Inc. More information about PNGC Power can be found at www.pngcpower.com.

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