



Ocean Power Technologies to Benefit from Production Tax Credit

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PENNINGTON, N.J.--(BUSINESS WIRE)--

Ocean Power Technologies, Inc. (Nasdaq: OPTT and London Stock Exchange AIM: OPT) ("OPT" or the "Company") today announces that it expects to benefit from the Energy Improvement and Extension Act of 2008. This Act is part of H.R. 1424, recently passed by the US House of Representatives and signed into law by President George W. Bush on October 3, 2008. The Act will for the first time enable owners of wave power projects in the US to receive federal tax credits, thereby improving the long-term economics of wave power as a renewable energy source.

Among other provisions, the Act expands the definition of qualifying facilities for the Production Tax Credit (PTC) to include those that generate power from marine renewables (including wave and tidal). As a result, the PTC is now allowed for electricity produced and sold after October 3, 2008 from marine renewable energy facilities with a "nameplate capacity" of at least 150 kilowatts, and that are placed in service anytime between October 3, 2008 and December 31, 2011. The credit rate for marine renewables is \$0.01 per kilowatt hour, and the duration of the credit will be 10 years after the facility is placed in service.

Dr. George W. Taylor, Chief Executive Officer of OPT, said: "We welcome the application of the production tax credit to wave energy. This is the first time wave power has received US federal tax credits and it is a significant step forward for the industry and for OPT. Passage of this Act, particularly as it relates to our efforts in wave power, further reflects the US government's focus on leveraging renewable energy sources as commercial sources of energy for the country. We believe this will help utilities and independent power producers enhance the near term benefits from OPT's technology as an option to meet the ever increasing need for renewable power."

Dr. Taylor further noted, "The PTC is expected to directly benefit the deployment of OPT's PowerBuoys in the United States. For example, a 50 MW OPT wave power station, could receive credits worth up to \$15 million over a 10-year period. These new tax credit provisions make our national priorities clear, and establish commitment to changing our energy security profile, as well as to creating jobs in the renewable energy sector."

OPT's PowerBuoy technology provides the ability to maximize energy conversion from ocean waves using electronic tuning algorithms. Its modular architecture can be easily scaled to large, commercial sized power plants which can be conveniently located close to population centers or existing transmission facilities where the power is needed. In previous independent studies, OPT's technology has been determined to have no significant environmental impact and the Company remains committed to the responsible development of ocean energy resources.

Forward-Looking Statements

This release may contain "forward-looking statements" that are within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect the Company's current expectations about its future plans and performance, including statements concerning the impact of marketing strategies, new product introductions and innovation, deliveries of product, and future sales, earnings and margins. These forward-looking statements rely on a number of assumptions and estimates which could be inaccurate and which are subject to risks and uncertainties. Actual results could vary materially from those anticipated or expressed in any forward-looking statement made by the Company. Please refer to the Company's most recent Form 10-Q for a further discussion of these risks and uncertainties. The Company disclaims any obligation or intent to update the forward-looking statements in order to reflect events or circumstances after the date of this release.

About Ocean Power Technologies

Ocean Power Technologies (Nasdaq: OPTT and London Stock Exchange AIM: OPT) is a pioneer in wave-energy technology that harnesses ocean wave resources to generate reliable, clean, and environmentally-beneficial electricity. OPT has a strong track record in harnessing wave energy and participates in a \$150 billion renewable energy market. The Company's proprietary PowerBuoy(R) system is based on modular, ocean-going buoys that capture and convert predictable wave energy into low-cost, clean electricity. The Company is widely recognized as the leading provider of on-grid and autonomous wave-energy generation with its energy systems benefiting from over a decade of in-ocean experience. OPT's technology and systems are insured by Lloyds Underwriters of London. OPT is headquartered in Pennington, New Jersey with offices in Warwick, UK. More information can be found at www.oceanpowertechnologies.com.

Source: Ocean Power Technologies, Inc.