



## Ocean Power Technologies Announces Funding Agreement With Australian Government for A\$66.5 Million Grant

January 14, 2014

PENNINGTON, N.J., Jan. 14, 2014 (GLOBE NEWSWIRE) -- Ocean Power Technologies, Inc. (Nasdaq:OPTT) ("OPT" or "the Company"), today announced that Victorian Wave Partners Pty Ltd ("VWP"), its project-specific operating entity wholly-owned by Ocean Power Technologies, Australasia (OPTA), has signed an agreement with the Australian Renewable Energy Agency ("ARENA"). This agreement is a Deed of Variation to the original Funding Deed through which a A\$66.5 million grant was previously awarded by the Commonwealth. The grant will be used towards the cost of building and deploying a 62.5MW peak-rated wave power station off the coast of Portland, Victoria.

Among the important changes included in the new agreement are the incorporation of milestones for each of the three stages of the project, acceleration of reimbursement of eligible expenses for stages one and two, and an increase in the number of milestones to better support project cash flow requirements. This agreement also recognizes the role of Lockheed Martin as the lead for systems integration of the PowerBuoys and overall program management.

Charles F. Dunleavy, Chief Executive Officer of OPT, said, "We are very grateful for the support of the Australian Government and ARENA during this process to make positive changes to the original Funding Deed. This new agreement significantly improves our ability to attract investors during the early stages of the project. We are also pleased to offer the prospect of manufacturing, engineering and maritime jobs in Victoria based on OPT's unique and game-changing technology, at a time when more traditional manufacturing jobs are experiencing enhanced competitive pressures. We have been impressed with the commercial and results-oriented way in which ARENA has worked with us after assuming responsibility for a wide range of projects and programs last year."

Ivor Frischknecht, Chief Executive Officer of ARENA, added, "We are pleased to support development of the VWP demonstration project. It aligns with our vision of a society increasingly powered by competitive renewable energy as well as our commitment to sharing knowledge and information about our projects with the industry."

VWP was awarded the grant by the Commonwealth of Australia through a competitive process undertaken as part of the Renewable Energy Demonstration Program, which is administered by ARENA. The funding deed for the project sets out the terms of the grant including the requirement to obtain significant additional funding.

The planned Portland wave power station has a total project value of AU \$232 million, and at completion would be the largest of its kind in the world. With twenty-eight PowerBuoys connected to the grid by an underwater substation and a submarine cable the plant would be capable of providing power for up to 10,000 homes. The project is being developed by VWP, a wholly owned subsidiary of Ocean Power Technologies Australasia Pty Ltd ("OPTA"), an Australian company owned by OPT (88%) and Woodside Energy Ltd (12%), Australia's largest independent oil and gas company. Since the original announcement of the grant, VWP has completed engineering milestones and conducted surveys and studies to meet the requirements for licenses and approvals. In addition, the Company is currently assessing power purchase agreements with local industry and utilities.

Mr. Dan Tehan, Federal Member for Wannon in Victoria, stated that "Wave energy has enormous potential and it is fantastic that Portland has been chosen as the site for this renewable energy project."

### About Ocean Power Technologies

The Ocean Power Technologies group is a pioneer in wave-energy technology that harnesses ocean wave resources to generate reliable and clean and environmentally-beneficial electricity. OPT has a strong track record in the advancement of wave energy and participates in an estimated \$150 billion annual power generation equipment market. OPT's proprietary PowerBuoy® system is based on modular, ocean-going buoys that capture and convert predictable wave energy into clean electricity. Ocean Power Technologies is widely recognized as a leading developer of on-grid and autonomous wave-energy generation systems, benefiting from over 15 years of in-ocean experience. Ocean Power Technologies, Inc. is listed on Nasdaq (OPTT), and is headquartered in Pennington, New Jersey, USA. Ocean Power Technologies (Australasia) Pty Ltd has operations in Melbourne and Perth, Australia, and Ocean Power Technologies Ltd is based in Warwick, UK. More information can be found at [www.oceanpowertechnologies.com](http://www.oceanpowertechnologies.com), [www.optaustralasia.com.au](http://www.optaustralasia.com.au) and [www.victorianwaveproject.com.au](http://www.victorianwaveproject.com.au).

ARENA was established by the Australian Government as an independent authority on 1<sup>st</sup> July 2012 to make renewable energy technologies more affordable and increase the amount of renewable energy used in Australia. ARENA is funded out to 2022 to invest in renewable energy projects, support research and development activities, and increase industry and community knowledge about renewable energy. More information is available at [www.arena.gov.au](http://www.arena.gov.au).

### 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, 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 Forms 10-Q and 10-K and subsequent filings with the SEC 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.*

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