

NEWS RELEASE

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For Immediate Release

OCEAN POWER TECHNOLOGIES SEES OPPORTUNITIES IN US ENERGY BILL

Pennington, NJ, USA, 9 August 2005 - Ocean Power Technologies, Inc ("OPT" or the "Company") (London Stock Exchange: AIM-OPT). The United States Energy Bill was signed by President George W. Bush yesterday, and, for the first time has included specific language to provide financial incentives for wave energy.

Commenting on the Energy Bill, Dr. George W. Taylor, CEO said:

"We are delighted that our focused efforts over the last few years have paid off with the significant inclusion of wave power in the Energy Bill. OPT is already well positioned in the United States, having a contract to build a grid-connected wave power station for the US Navy in Hawaii and a contract with the New Jersey Board of Public Utilities to build a demonstration wave power system. We expect these new incentives of the US Government to result in additional business for OPT with US utilities and others."

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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 ocean-tested systems have the potential to provide cost competitive, clean electrical power on a large scale. For further information, see the Company's website: www.oceanpowertech.com.

The US Energy Bill and Wave Power

The 2005 Energy Bill is the first major piece of U.S. legislation to recognize the vast potential of wave power for deriving clean, renewable energy from our ocean. This pivotal legislation includes many incentives which are expected to accelerate the development and commercialization of OPT's PowerBuoy™ technology, including:

Wave Energy Resource Assessment

The Secretary of Energy is directed to assess the potential of wave energy resources within the United States and report back to Congress within two years. This study will assist wave energy project developers in finding the most suitable and productive locations for OPT's PowerBuoy technology.

Federal Purchase Requirement and Federal Lands

The Bill authorizes the Federal government to increase its purchase of renewable energy, including Ocean Energy, from 2.5% to 7.5% of total power consumption in the next 7 years. This will represent the purchase of more than \$160 million of green power annually. Further, under the leadership of the Secretary of the Interior the National Academy of Sciences will study the potential of developing wind, solar and ocean energy resources on Federal land available. This commitment to purchase power coupled with a resource assessment of wave energy on Federal lands will help accelerate the production of wave generated power.

Rural and Remote Community Electrification Grants

The legislation authorizes \$20 million in grants to be appropriated based for each fiscal year 2006-2012 for the purpose of supporting the growth of renewable energy in rural and remote communities. Wave power – such as OPT's PowerBuoy is the only form of ocean energy that was permitted under this section of legislation.

Grants for Energy Security in U.S. Territories

The Secretary of Energy was directed to identify and evaluate strategies or projects with the greatest potential for reducing the dependence on imported fossil fuels, including the increased use of renewable energy in U.S. Territories. This \$6 million grant program includes wave energy, but not any other ocean energy source, and is focused on resources that will have the greatest impact on reducing future disaster losses and seem to be the best fit for the region where it will be carried out.

Research and Development

The Bill authorizes funding of \$632 million in FY07, \$734 million in FY08 and \$852 million in FY09 for renewable energy research, development, demonstration and commercial application projects, including wave power. These programs will be conducted, based on increasing the conversion efficiency, decreasing the cost of renewable energy generation, promoting the diversity of the energy supply, decreasing the dependence of the United States on foreign energy supplies, improving energy security and decreasing the environmental impact of energy-related activities.

Incentives for Innovative Technologies

In order to stimulate the development and commercialization of promising innovative technologies – such as OPT's PowerBuoy, the bill authorizes tax credits and 80% loan guarantees for renewable energy systems that employ new or significantly improved technologies as compared to commercial technologies in service at the time.