HydroKinetics Conference

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Dr. George Taylor, Chief Executive Officer

Ocean Power Technologies, Inc.
1590 Reed Road
Pennington, NJ 08543
USA
Phone: 609-730-0400
Fax: 609-730-0404

Ocean Power Technologies, Ltd.
Warwick Innovation Centre,
Warwick Technology Park,
Gallows Hill, Warwickshire
CV346UW
U.K.

II.A. Brief Description

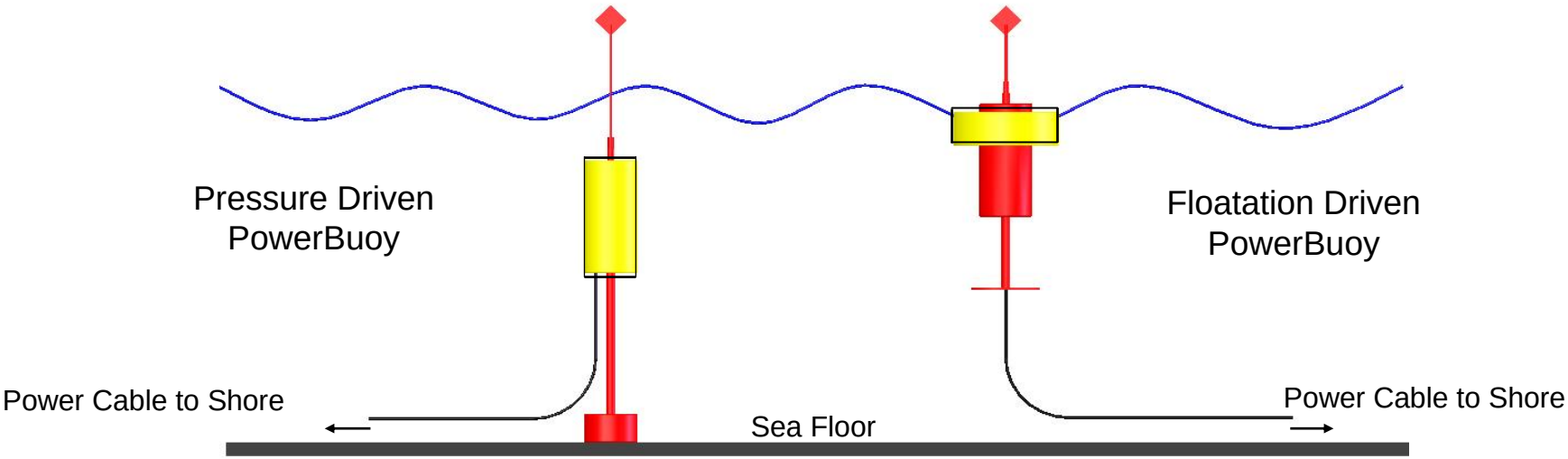
- **Technology Class:** Heave

- **PowerBuoy™ Designs**
  - Pressure Driven – Fixed to Sea Floor
  - Flotation Driven – Moored but Not Rigidly Connected

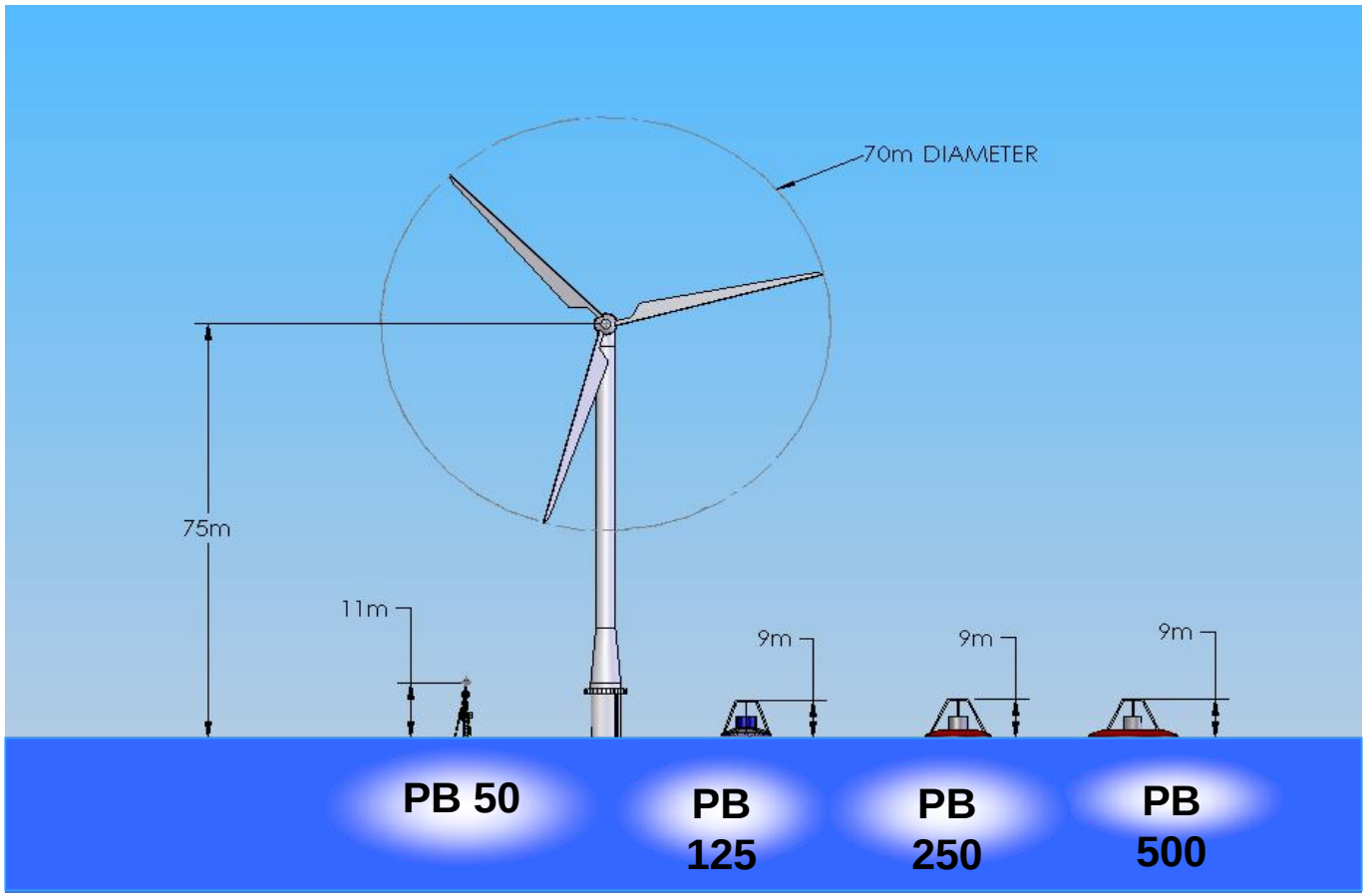
- **PowerBuoy™ Attributes**
  - Subsurface Design - Minimal Visual Impact
  - High Power Density – 1 MW per 1.6 Acres

- **PowerBuoy™ Suitability**
  - Open Ocean
  - Water Depths Greater than 30-meters
  - Can Accommodate Any Tidal Variation (Flotation Driven Design)

PowerBuoy™ Configurations



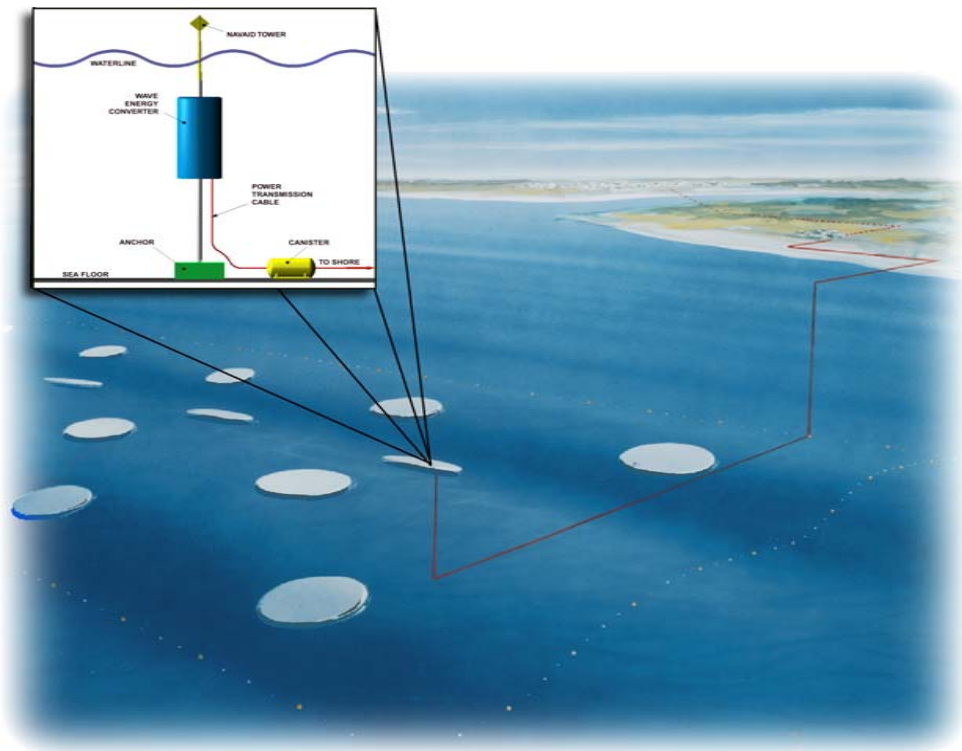
PowerBuoy™ - Minimal Visual Impact



PowerBuoy™ Wave Power Station

- Rated Capacity: 10 MW
- Footprint: 16 acres
- Water Depth: 30 to 50 meters
- 40 units - PB-250™ (250kW)
- Powers 4,000 homes*

** Assumes world average of 1kw per home*



II.B. Market Potential

- **Market Potential**
  - Remote Power Market - $12 billion
  - Primary Renewable Market - $70 billion
  - Military
  - Desalination
  - Hydrogen Production

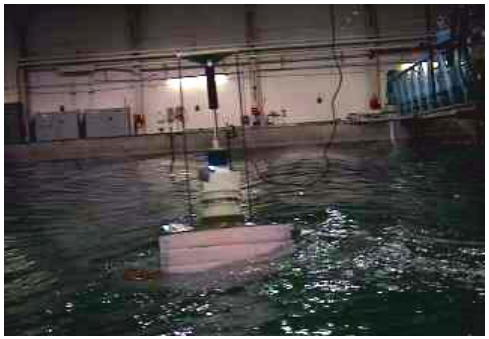
- **Cost of Energy – Scale Drives Economics**
  - PB-150™: Cost competitive in remote power market at 7-10¢/kWh
  - PB-500™: Cost competitive in primary markets at 3-4¢/kWh

II.C. Development Status

- **PowerBuoy™ 40 kW (PB-40™) Development Program**
  - Development Complete
  - Buoys are Being Deployed Off New Jersey and Hawaii

- **PowerBuoy™ 150 kW (PB-150™) Development Program**
  - Design Underway
  - Navy 1 MW Demonstration Program (Hawaii)
  - Ibedrola 1.5 MW Demonstration Program (Spain)
  - Total 2 to 5 MW Demonstration Program (France)
  - NJBPU 1.5 MW Demonstration Program (New Jersey)

PB-40™ Testing Program



Wave Tank Testing (Apr. 2004, Jan. 2005)

- Measured dynamic performance
- Record responses to wave periods, amplitudes, and currents

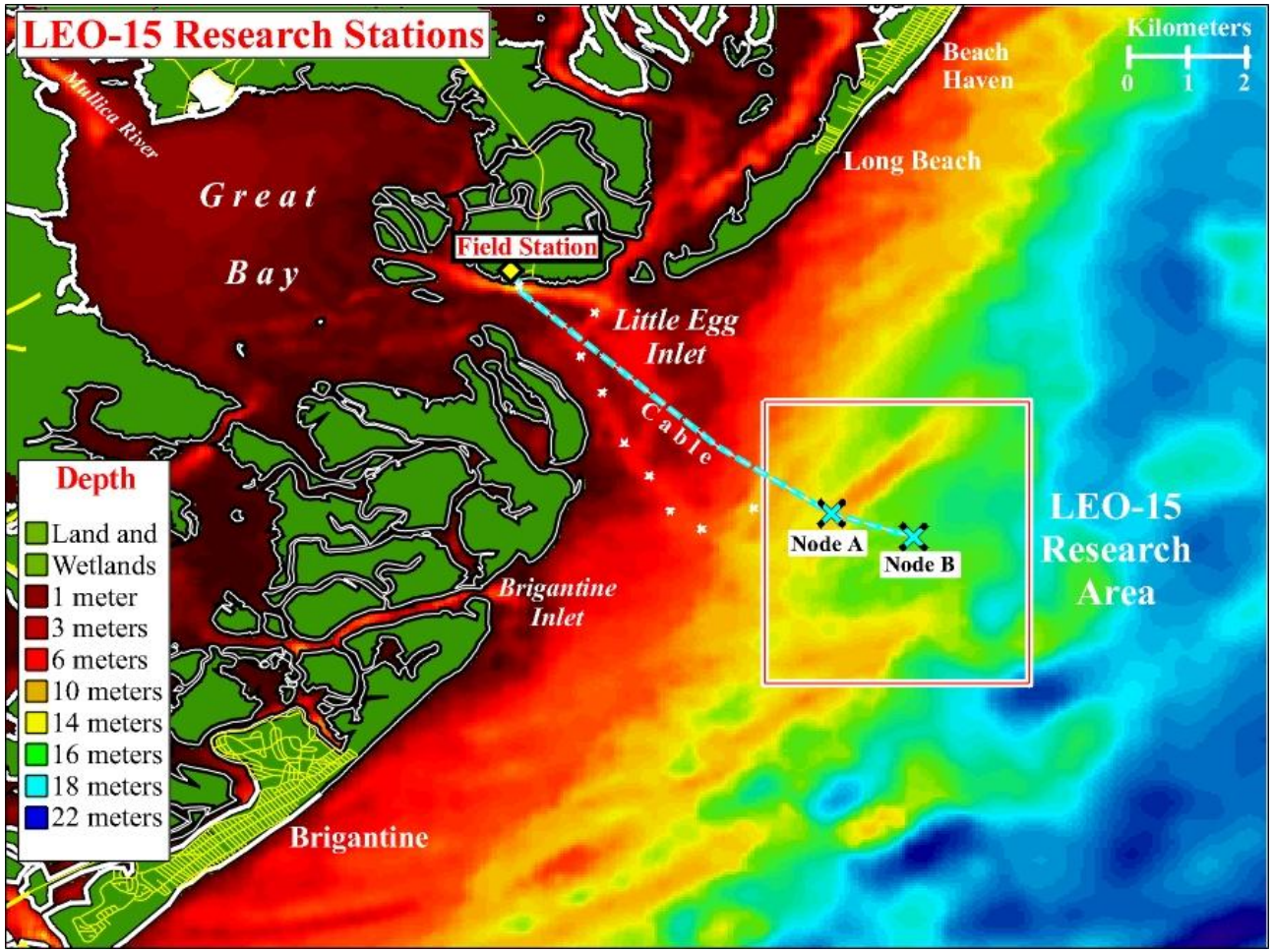
Subscale Ocean Testing (Sept. 2004)

- Validated computer models
- Confirmed performance prior to full-scale fabrication

Ocean Testing -Fall 2005

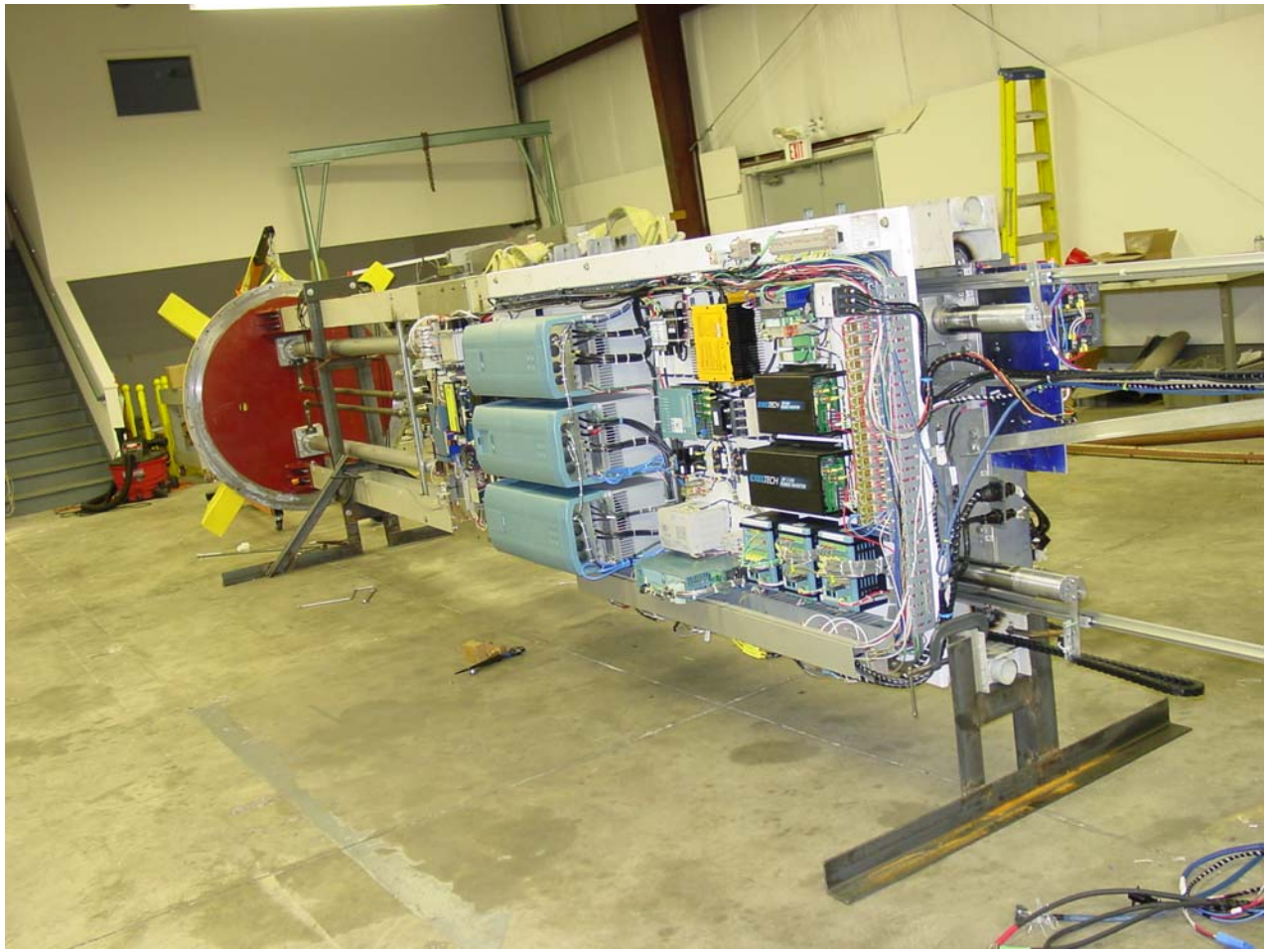
- Tests operation in ocean environment
- Tests tidal compensation design
- Tests mooring system design

PB-40™ New Jersey Test Site

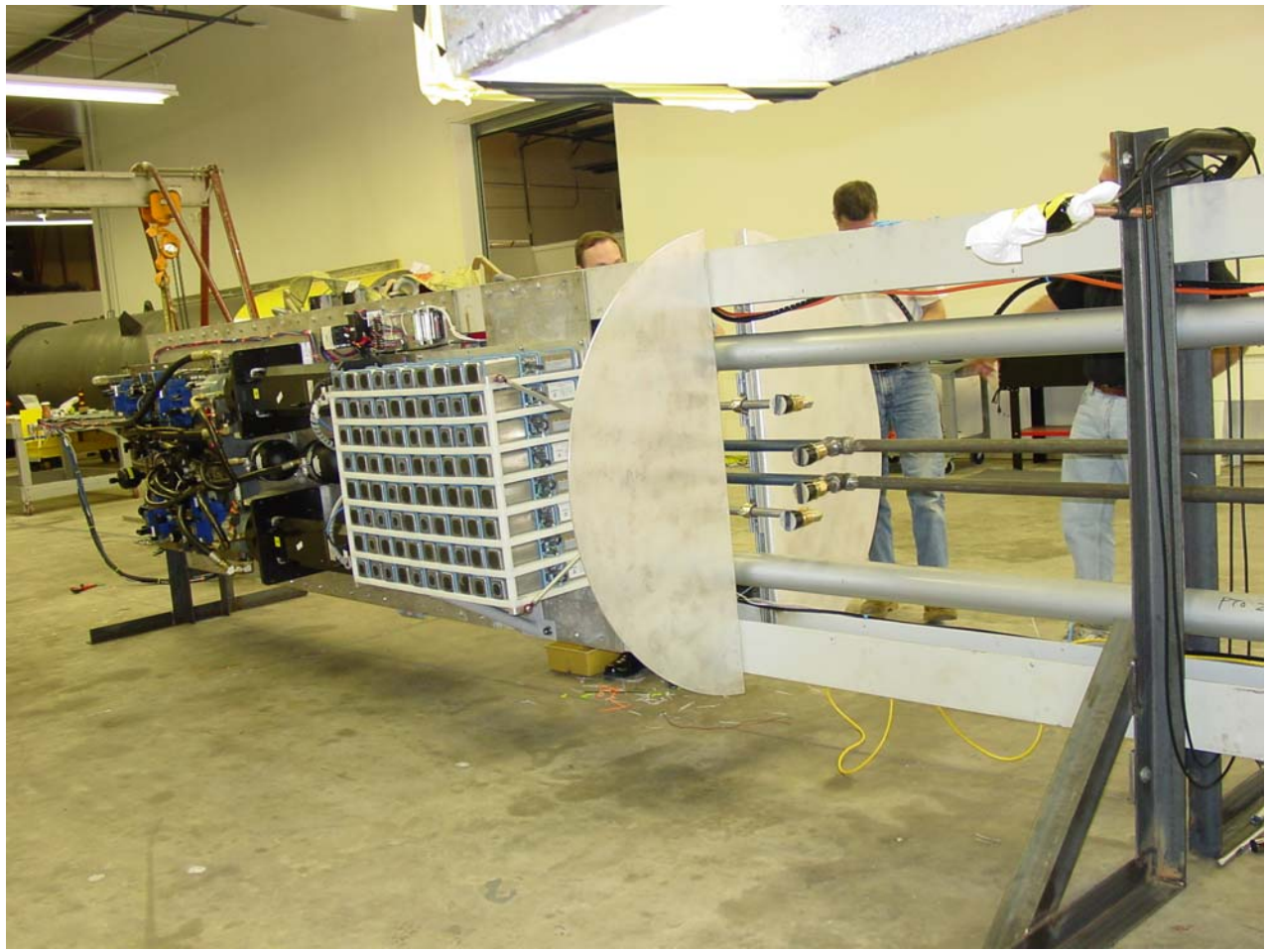


PB-40™ Hawaii Test Site

PB-40™ Power Electronics



PB-40™ Factory Testing



PB-40™ Sub-Assembly

PB-40™ Ready to Ship

PB-40™ Ready to Ship

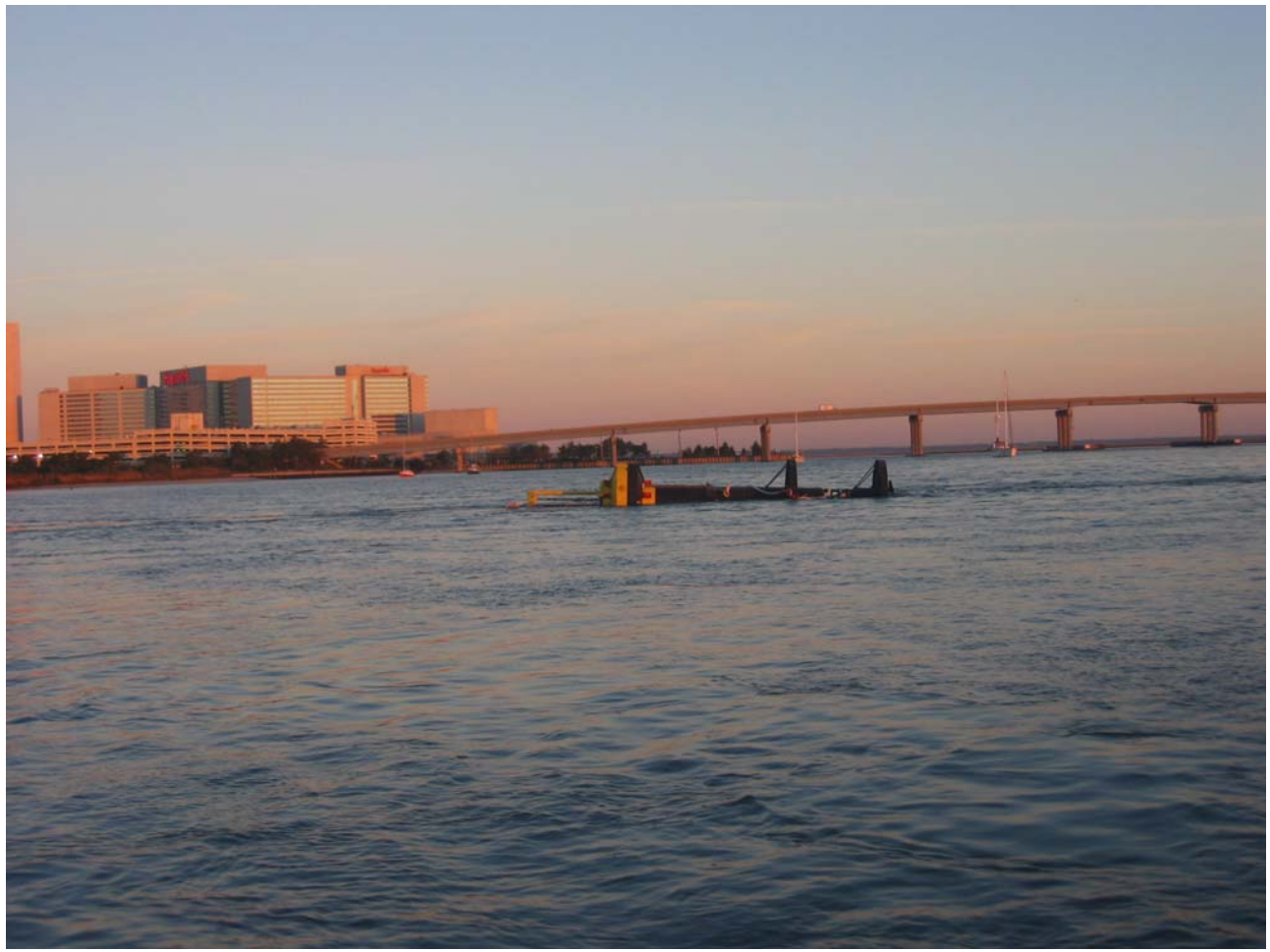
PB-40™ Final Assembly

PB-40™ Mooring Buoys

PB-40™ Mooring Deployment

PB-40™ Tow Out

PB-40™ Tow Out

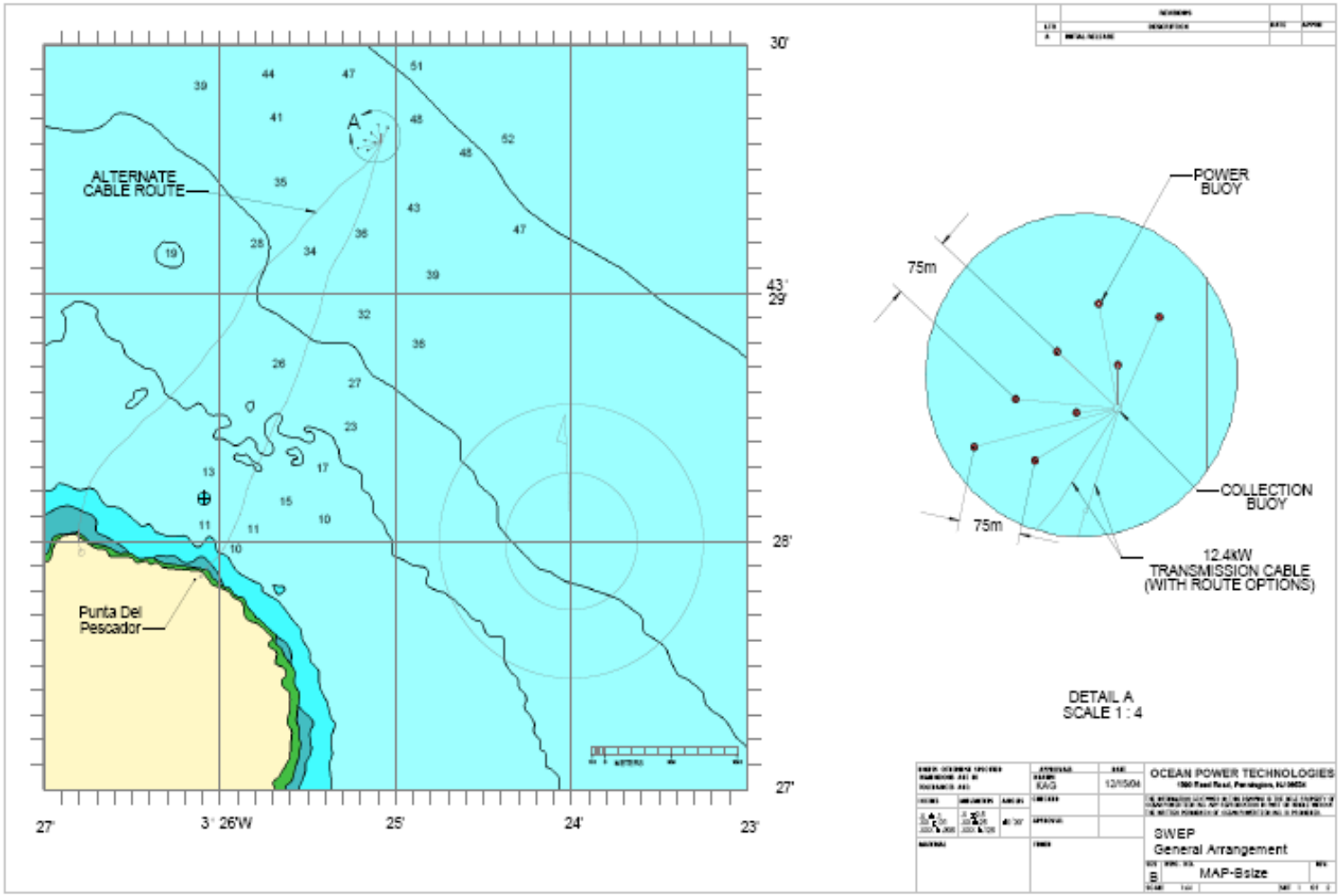


PB-40™ Ready to Ballast

PB-40™ Installed

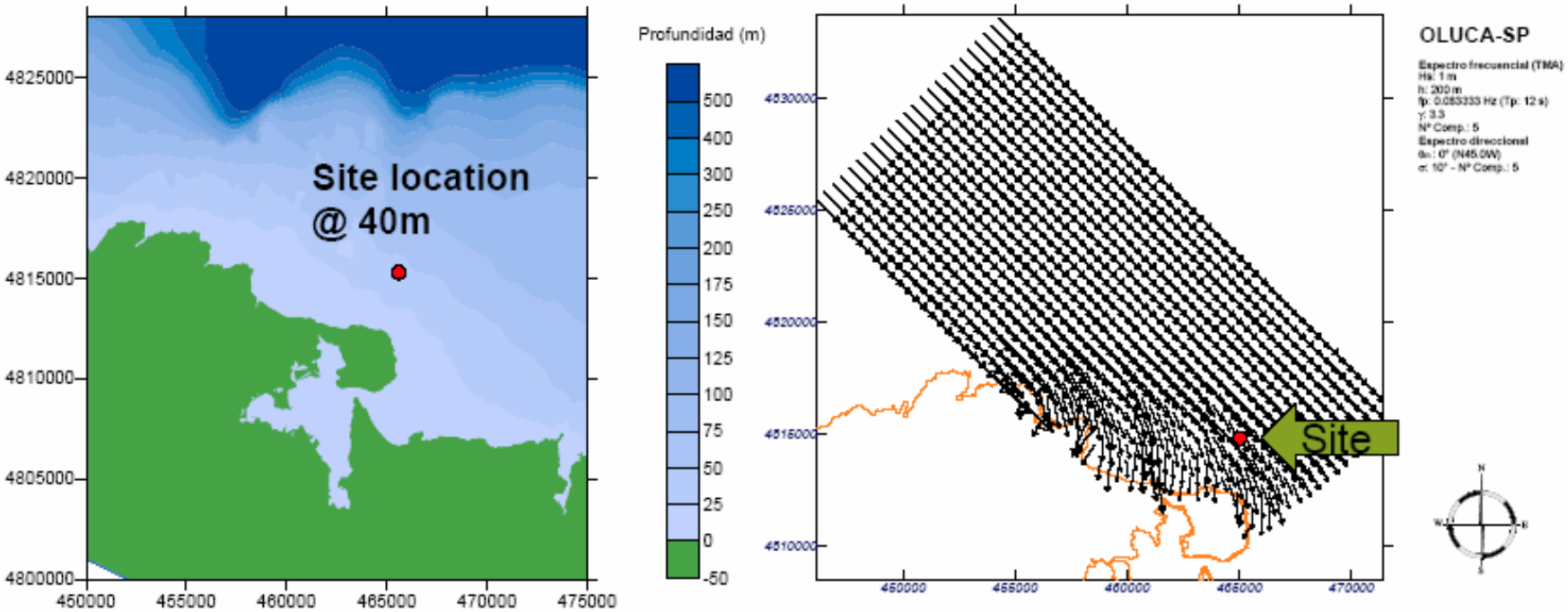
1.5 MW Ibedrola Demonstration Program

1.5 MW Ibedrola Site Plan



1.5 MW Ibedrola Bathymetry

Bathymetry and Wave Vectors in the Study Area



Predominate Wave Direction - Northwest

1.5 MW Ibedrola Load Factor

Season	Power Production*, MWh	Capacity Factor
Winter	1,270	38.7%
Spring	970	29.5%
Summer	680	20.7%
Fall	980	29.8%
Total - Annual	3,900	29.7%

* Calculation assumes 40-meter water depth

PB-40™ Hawaii Tow-Out

PB-40™ Hawaii Deployment

PB-40™ Hawaii Completion

II.C. Opportunities to Improve Rate of Commercialization

- **Financial Incentives**
  - Need Government Supported Demonstration Programs to "Bridge the Gap" from R&D to Commercialization
  - Need Energy Price and Capital Cost Subsidies to Overcome Price/Cost Spread

- **Technical Innovations**
  - Power conversion efficiency improvements
  - Doubling the buoy diameter, quadruples power output
  - Advanced materials in the construction of the system