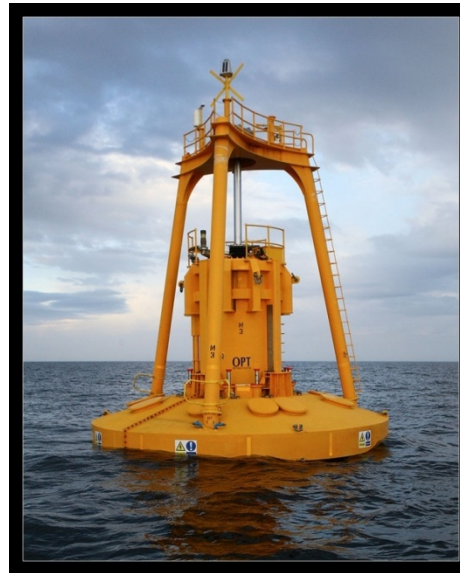


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## OCEAN POWER TECHNOLOGIES



### **Fiscal 2015**

### **Third Quarter Conference Call**

### **Three Months Ended January 31, 2015**

March 11, 2015

# Forward-Looking Statements

In addition to historical information, this presentation contains forward-looking statements that are within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are identified by certain words or phrases such as "may", "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions. These forward-looking statements are based on assumptions made by management regarding future circumstances over which the company may have little or no control and involve risks, uncertainties and other factors that may cause actual results to be materially different from any future results expressed or implied by such forward-looking statements. Some of these factors include, among others, the following: future financial performance; expected cash flow; ability to reduce costs and improve operational efficiencies; revenue growth and increased sales volume; success in key markets; competition; ability to enter into relationships with partners and other third parties; delivery and deployment of PowerBuoys®; increasing the power output of PowerBuoys; hiring new key employees; expected costs of PowerBuoy product; and building customer relationships. Please refer to our most recent Forms 10-Q and 10-K and subsequent filings with the SEC for a further discussion of these risks and uncertainties. We disclaim any obligation or intent to update the forward-looking statements in order to reflect events or circumstances after the date of this earnings call.

# Recent Developments

- Appointment of George Kirby as Chief Executive Officer
- 3 PowerBuoy deployments planned for Calendar 2015
- Primary focus on off-grid power production at smaller scales
- Significant progress on next generation APB-350
- Executed substantial work on Mitsui Engineering & Shipbuilding (MES) contract; undergoing stage-gate review
- Received \$1.1 million through New Jersey Tax Certificate Transfer Program

# PowerBuoy Deployments

Device	Description / Features	Timeframe
PB40	Large size, modular PTO	To be ready for deployment this month; pending permitting & weather window
APB-350A1	Smaller size, newly designed and upgraded components	Planned deployment summer 2015
APB-350A2	Smaller size, including optimized geometry designed with reduced fabrication and deployment costs in mind	Planned deployment late calendar year 2015

# Strategic Pivot

**Our Vision:** Transforming the world through innovative ocean energy solutions

**Primary focus on smaller scale power, with expectation of:**

- More manageable technical, schedule and cost risks
- Better value proposition with competitive cost model
- Fastest path to commercial revenues
- Addressing applications in 4 key market sectors:
  - Offshore Wind
  - Ocean Observing
  - Defense and Security
  - Oil and Gas

Focus on Reliability, Life and Life Cycle Costs

# Autonomous PowerBuoy Development

- Focus on smaller scale remote autonomous applications
- APB-350 A1 to demonstrate the optimized PTO
- APB-350 A2 targeting significant weight reduction and ease of deployment
- Subsystem and component commonality between the PB40 and APB-350.



Simplicity, high efficiency, reliability, reduced cost

# Financial Summary – Operating Results

US \$ (000's)	Three Months Ended January 31		Nine Months Ended January 31	
	2015	2014	2015	2014
Revenues	\$328	\$200	\$3,616	\$1,124
Cost of revenues	379	193	4,344	1,116
Gross profit (loss)	(51)	7	(728)	8
Product development costs	1,082	786	2,227	3,667
Selling, general and administrative costs	1,957	1,772	7,788	6,128
Operating loss	(3,090)	(2,551)	(10,743)	(9,787)
Interest income (expense), net	7	3	(48)	6
Other income	-	-	185	-
Foreign exchange (loss) gain	(246)	23	(468)	153
Loss before income taxes	(3,329)	(2,525)	(11,074)	(9,628)
Income tax benefit	1,138	1,746	1,138	1,746
Net loss	(2,191)	(779)	(9,936)	(7,882)
Less: Net loss attributable to the noncontrolling interest in Ocean Power Technologies (Australasia) Pty, Ltd	5	39	98	122
Net loss attributable to OPT	(\$2,186)	(\$740)	(\$9,838)	(\$7,760)

# Financial Summary – Financial Condition

US \$ (millions)	January 31, 2015	January 31, 2014
Cash, cash equivalents, restricted cash and marketable securities	\$20.5	\$19.6
Current and long-term debt	\$0.2	\$0.3
Stockholders' equity	\$18.9	\$16.9



# Summary

- 3 Deployments Planned For This Calendar Year
  - ✓ Accelerated life tests will provide confidence in our PTO design
  - ✓ Addressing first market applications
- Strategic pivot to off-grid wave power at smaller scale
  - ✓ Cost effective with lower risk
  - ✓ Significant opportunities in target markets
- Advancing Technology Toward Commercial Status
  - ✓ Continued focus on reliability, durability, and life-cycle costs