



AUDIO WEBCAST  
RESULTS OF QUARTER ENDED  
JULY 31, 2010

September 9, 2010

# Forward-Looking Statements

In addition to historical information, this presentation contains forward-looking statements that 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. These factors include, among others, the following: future financial performance indicating expected cash flow, the ability to reduce costs and improve operational efficiencies, revenue growth and increased sales volume, or success in key markets, our ability to enter into relationships with partners and other third parties, delivery and deployment of PowerBuoys®, increasing the power output of our PowerBuoys and hiring new key employees and expected costs of our PowerBuoy product, and building strong long-lasting customer relationships. Many of these risks are discussed in our recent filings with the Securities and Exchange Commission.

# Summary

- Revenues increased 5% over previous year's comparable quarter
- Contract order backlog increased to \$6.5 million
- First PB150 PowerBuoy to be ready for launch in Scotland later this calendar year
- Second PB150 in production for Reedsport, Oregon, with stakeholder agreement signed
- Development of next generation PB500 gained momentum with UK and US government support
- Successful deployment and continuing operation of PowerBuoy in Hawaii
- Strengthened management team with new hires



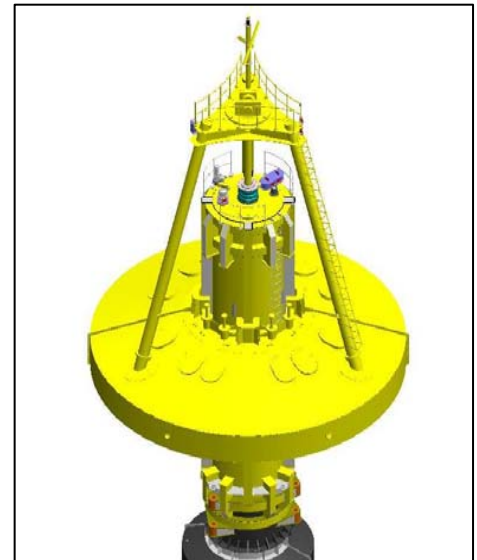
# PB150 Momentum

## PB150 – Scotland

- Integration of energy conversion and power take-off subassemblies with buoy structure is in progress
- To be ready for in-ocean testing off Scotland later this calendar year
- Seeking additional funding for future development

## PB150 – Reedsport , Oregon

- Manufacturing of second PB150, for Reedsport, Oregon, is underway
- Ocean testing expected to commence in 2011
- Basis of intended expansion to a 10-buoy, 1.5MW wave power station
- Gained momentum with signing of groundbreaking stakeholder agreement



# PB150 – Scotland





# PB150 – Oregon



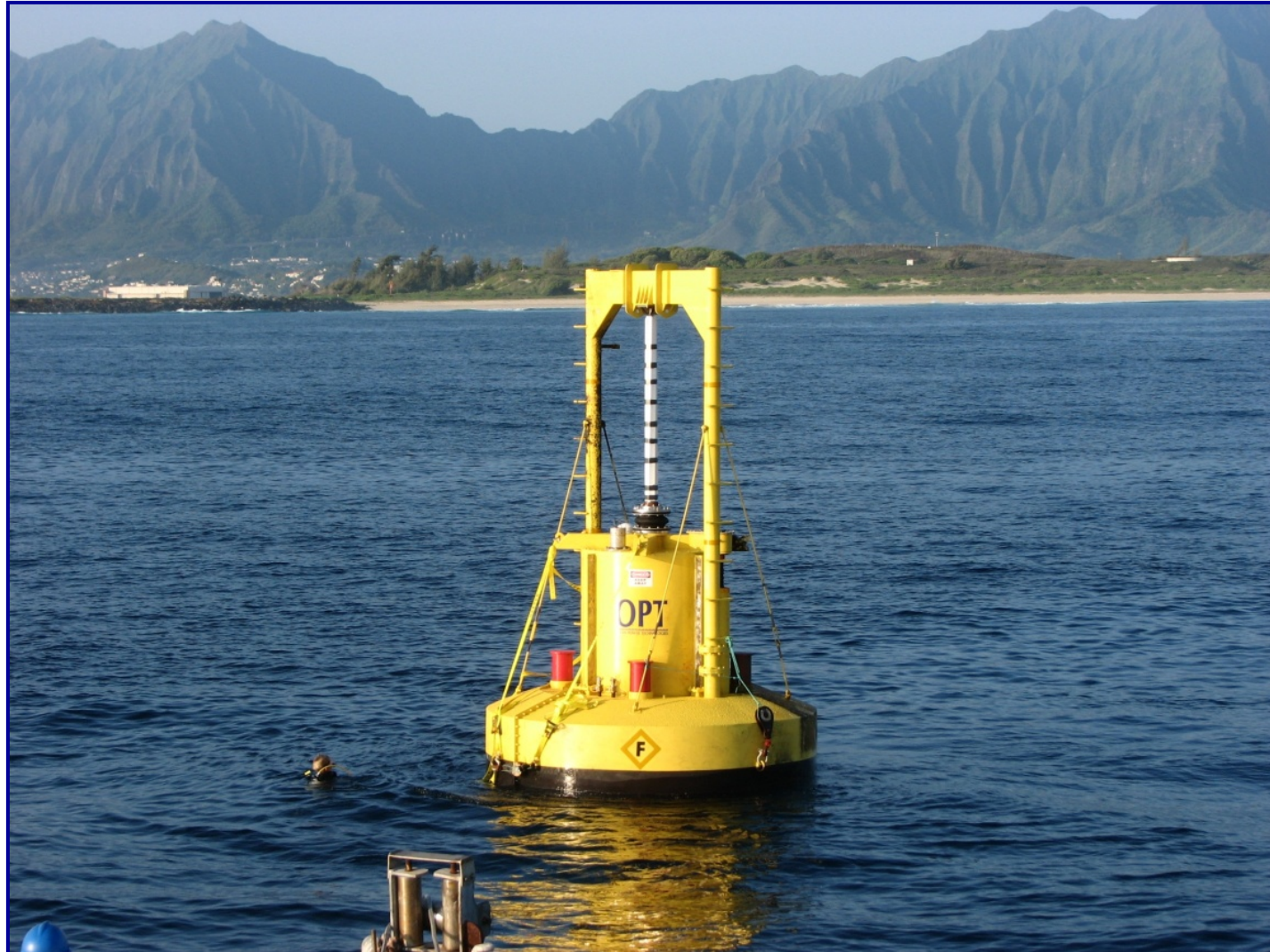
# Operational Progress – Utility Projects

- Success of PowerBuoy at the Marine Corps Base in Oahu, Hawaii
  - Continuous operation since deployment in December 2009
  - Survived severe storm wave conditions
  - Performing as intended, producing power in-line with expectations and testing protocols
  
- Hawaii project demonstrates:
  - Survivability of PowerBuoy
  - Meeting design specifications and confirming performance models for the PB150
  
- PB500
  - Increase output per PowerBuoy to 500kW
  - Awarded £1.5 million from SWRDA
  - Strengthens commitment to southwest UK





# Hawaii PowerBuoy





# Operational Progress – Autonomous Projects

## US Navy “DWADS” project

- Progress continued under \$3 million contract to provide OPT’s autonomous PowerBuoy technology for deep ocean data gathering program
- Deployment of enhanced buoy scheduled for the end of this calendar year

## US Navy “LEAP” project

- Project to provide wave energy system for coastal surveillance
- Design work completed – expected to complete first stage of the project by the end of this calendar year
- Current one-year \$2.4 million contract is the initial award under a proposed four-year, \$10-\$15 million program

# Financial Summary – Operating Results

	Quarter Ended July 31	
	2010	2009
Revenues	\$1,374,407	\$1,310,937
Cost of revenues	<u>1,588,246</u>	<u>1,024,227</u>
Gross (loss) profit	(213,839)	286,710
Product development costs	4,025,786	1,361,400
Selling, general and administrative costs	<u>2,028,910</u>	<u>2,166,271</u>
Operating loss	(6,268,535)	(3,240,961)
Interest income	237,465	285,220
Other income	—	506,630
Foreign exchange (loss) gain	<u>(239,002)</u>	<u>401,691</u>
Net loss	(6,270,072)	(2,047,420)
Less: Net loss (income) attributable to the noncontrolling interest in Ocean Power Technologies (Australasia) Pty, Ltd	<u>3,479</u>	<u>(51,057)</u>
Net loss attributable to OPT	<u><u>(\$6,266,593)</u></u>	<u><u>(\$2,098,477)</u></u>
Basic and diluted net loss per share	<u>(\$0.61)</u>	<u>(\$0.21)</u>
Weighted average shares	<u>10,236,466</u>	<u>10,210,354</u>

# Financial Summary – Financial Condition & Cash Burn

US (\$ millions)	July 31, 2010	July 31, 2009
Cash, cash equivalents, restricted cash and marketable securities	\$60.8	\$80.9
Net cash used in operating activities	\$6.1	\$2.5
Current and long-term debt	\$0.6	\$0.3
Stockholders' equity	\$59.1	\$81.7

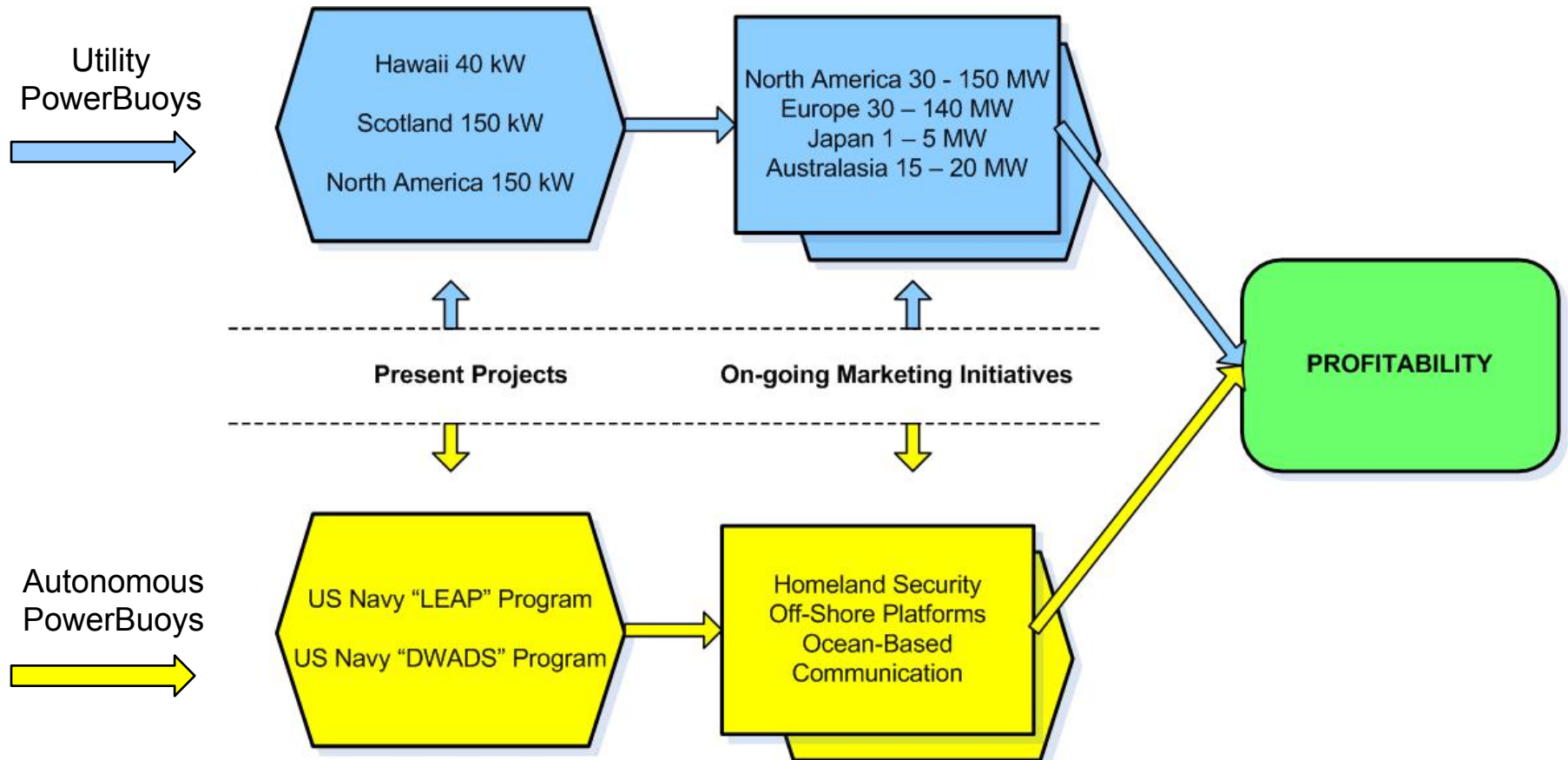
# Initiatives to Reduce Cash Burn

- PB150 development nearly complete
- Majority of PB500 development costs to be externally funded
- Accelerate sales of Autonomous PowerBuoys
- Stay focused on core business in targeted areas of world
- Continue to outsource majority of supply chain as production volume grows
- Continue to sell plant rather than energy



# Multiple Paths to Profitability

Utility PowerBuoy \$50 Billion per annum Estimated Market Size



Autonomous PowerBuoy \$10 Billion per annum Estimated Market Size

# Near-Term Goals

- Ocean trials of first PB150 off the coast of Scotland
- Progress on PB150 for Reedsport
- Grid connection for Hawaii buoy at marine base
- Deployment of enhanced autonomous PowerBuoy for US Navy's marine surveillance program (DWADS)
- Completion of first stage of LEAP contract

