

OPT

OCEAN POWER TECHNOLOGIES



***Needham and Company, LLC's
14th Annual Growth Conference
January 11, 2012***

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.

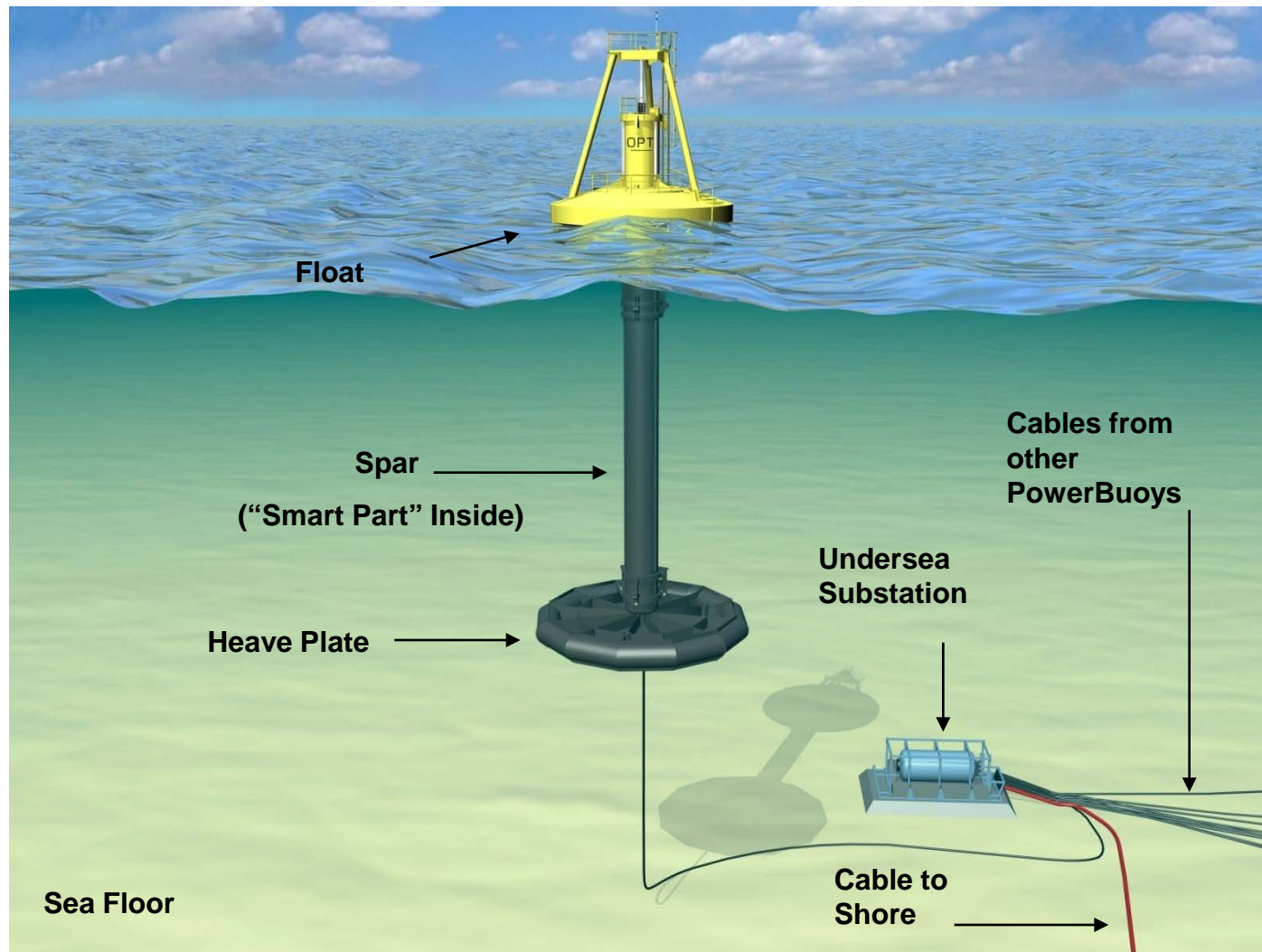
Investment Highlights

- Leading developer of turnkey ocean wave power production systems focused on:
 - \$50 billion renewable segment of the \$150 billion utility market
 - \$10 billion autonomous (non-grid) power delivery market
- Developing utility PowerBuoy projects in North America, Europe, Japan and Australia
- Marketing autonomous PowerBuoy for multiple applications
- Strong partnerships in place: U.S. Navy, U.S. DOE, Lockheed Martin, PNGC Power, Mitsui (Japan), Iberdrola (Spain)
- Extensive in-ocean product performance, including successfully withstanding hurricanes and winter storms
- Solid balance sheet – foundation for growth

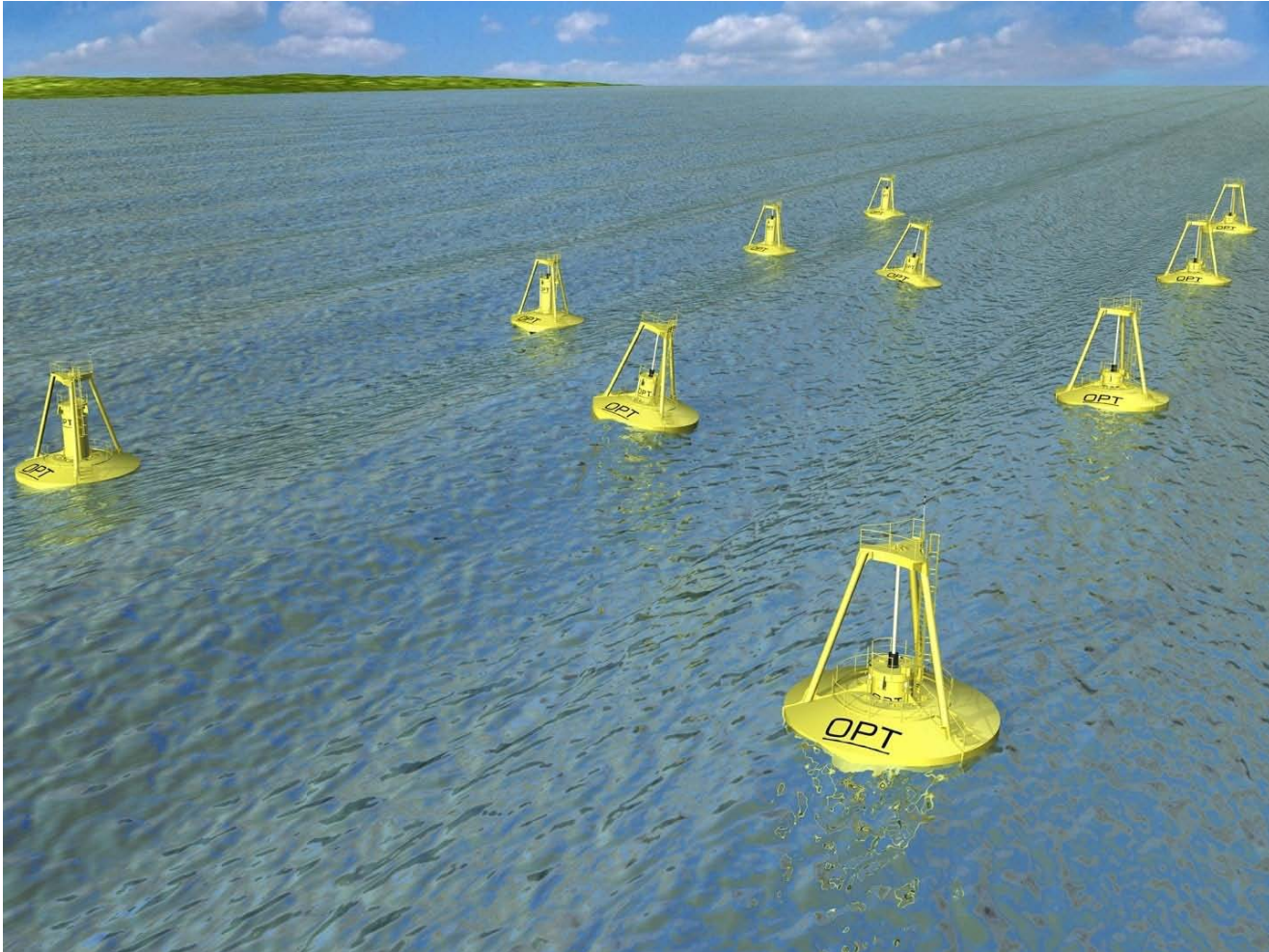
Company Overview

| | |
|-------------------------------|---|
| Commenced Operations: | 1994 |
| Incorporation: | Delaware, USA |
| Operating Locations: | Pennington, NJ, USA and Warwick, UK |
| Total Employees: | 50 |
| Intellectual Property: | 64 US patents issued or pending |
| Cash and Investments: | \$39.9 million (as of October 31, 2011) |
| Public Listing: | Nasdaq (OPTT) |

PowerBuoy and Undersea Substation



Wave Power Station



Business Strategy

- Sell equipment and service contracts, rather than energy*
- Concentrate on North America, Europe, Australia, Japan
 - Target high energy cost and/or high subsidy regions of the world
- Accelerate revenue streams from autonomous PowerBuoy systems and marine energy infrastructure services
- Increase utility PowerBuoy system output from 150kW to 500kW and grow production volumes to improve economics
- Collaborate with other organizations
 - “Smart part” built at OPT’s facilities; outsource steel work and balance of plant*
 - Partnerships with potential customers with strategic interest in OPT
 - Leverage combined expertise
 - Financial risk sharing
 - Maximize customer funding of technology development*

* Serves to reduce ongoing capital needs

Autonomous PowerBuoys

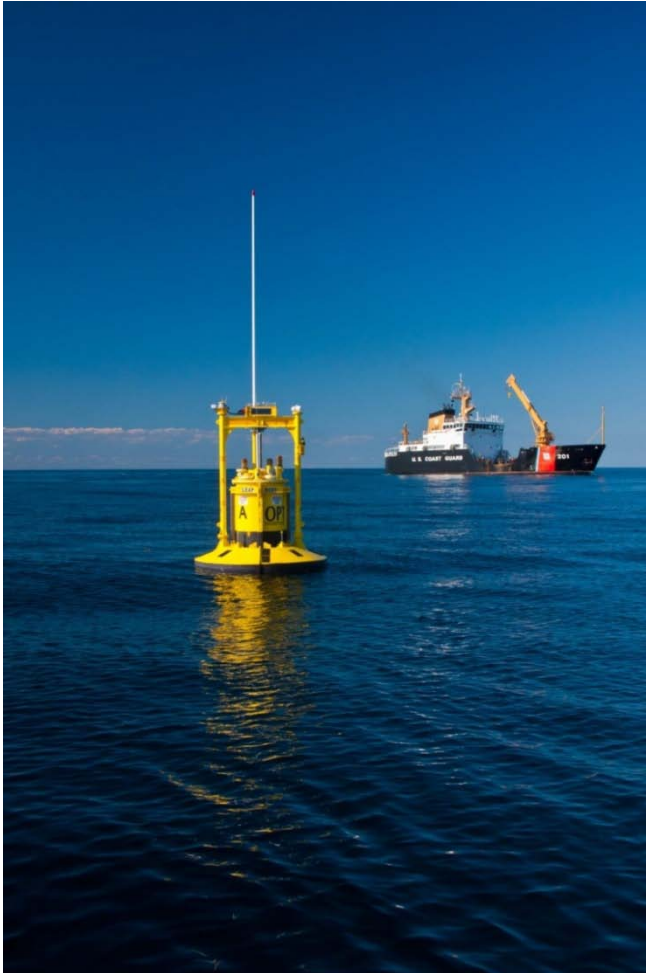
Technology Readiness

- First autonomous PowerBuoy tested in 2004 off State of Washington under Lockheed contract
- PB40-rated system operated off New Jersey during 2005-2007
 - Withstood Hurricane Wilma
- DWADS PowerBuoy prototype tested in 2010 demonstrating stationkeeping for US Navy
 - Power generation in autonomous mode to maintain station and provide power intended for a sonar-based maritime security system
- LEAP PowerBuoy “mission proven” in 2011 in successful integration with US Navy’s radar-based, operational maritime security system
 - Persistent power in all wave conditions, using proprietary power management system
 - Withstood Hurricane Irene

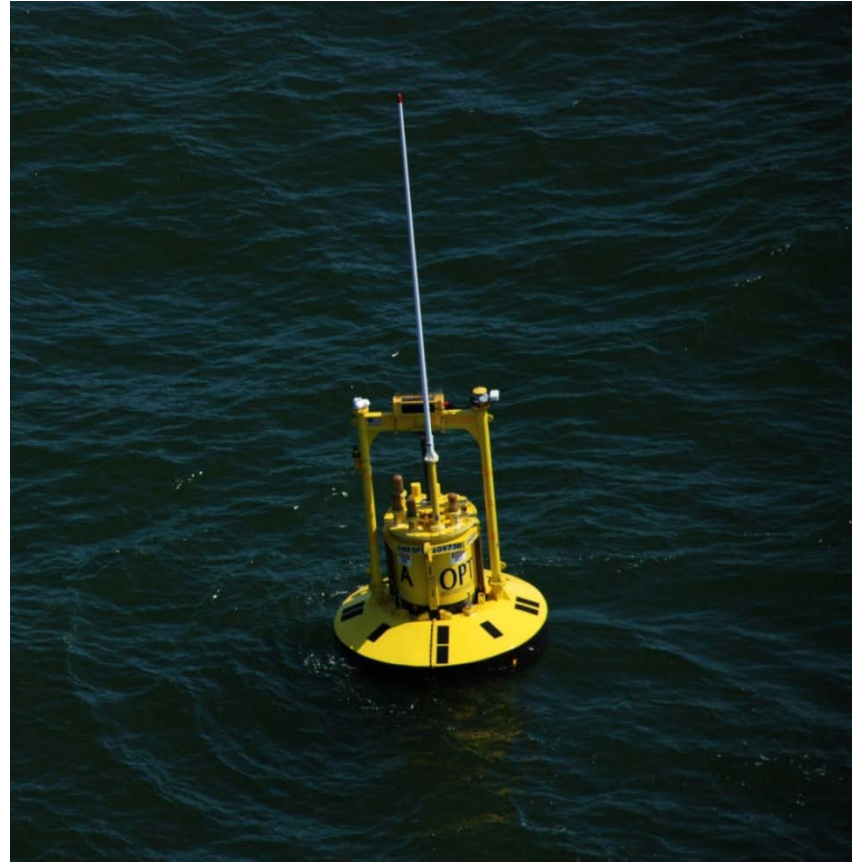
Key Customers and Partners to Date

- US Navy
- Lockheed Martin

LEAP PowerBuoy off New Jersey Coast



LEAP PowerBuoy
Deployed by US Coast Guard



LEAP PowerBuoy After Hurricane Irene

Photo provided by Michael Woods

Utility PowerBuoys

Technology Readiness

- Hawaii PB40 installed at Marine Corps Base 2009 – 2011 under US Navy contract
 - Grid-connected in 2010
- Scotland PB150 underwent successful ocean trials in 2011
 - Power output and overall system performance exceeded expectations
- PB150 planned to be in operation off Reedsport, Oregon mid-2012
- Grid connection certified by Intertek for compliance with UL and IEEE standards
- PB150 structure and mooring design certified by Lloyd's Register
- Independent Environmental Assessments in Hawaii under direction of US Navy, and by US DoE for Reedsport, Oregon project, both resulted in “Finding of No Significant Impact” – highest rating
- US DoE has assessed PowerBuoy PB150 as highest wave energy system for commercial readiness (TRL 7-8)

Key Customers and Partners to Date

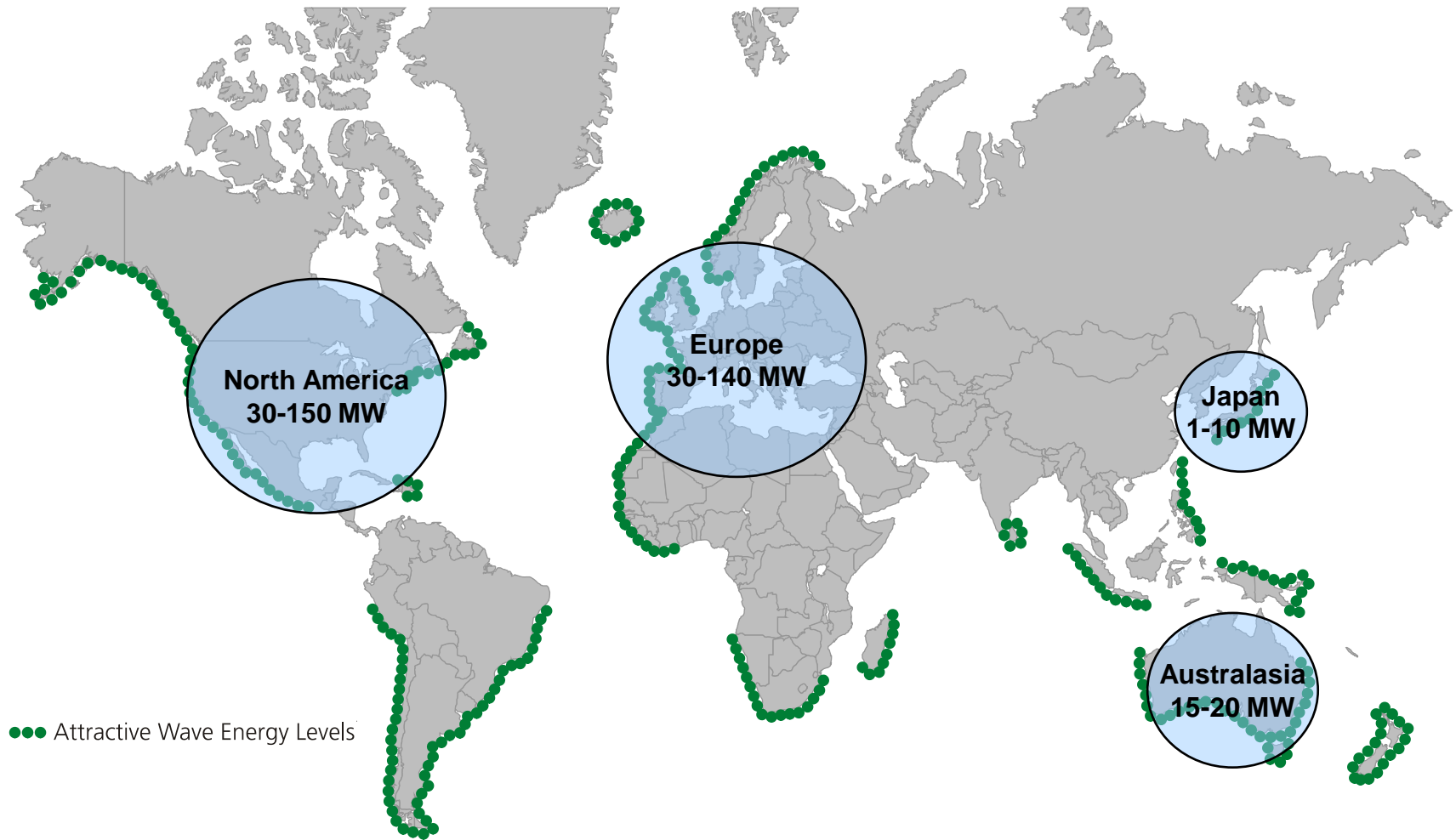
- | | |
|-------------------------------------|------------------|
| ■ US Navy | ■ PNGC Power |
| ■ Mitsui Engineering & Shipbuilding | ■ Iberdrola |
| ■ Lockheed Martin | ■ European Union |
| ■ US Department of Energy | |

Scotland PB150

- Ocean trials commenced April 2011, completed October 2011
- Achieved average electrical power of 45 kilowatts at wave heights as low as 2 meters, exceeding expectations
- Power take-off system performed well
- Capacity factor higher than generally seen in other renewables, such as wind and solar
- Seeking commercial partner or customer for next phase



Ongoing Utility Marketing Initiatives



- Target sales price in production volumes is \$4 million/MW (higher initially)

Competitive Advantages of PowerBuoy

- PowerBuoy is based on ocean-going buoys, primarily below sea surface
- Electronic “tuning” capability optimizes power in dynamic wave conditions
- PowerBuoy sends grid-ready electrical power to shore, not pumped water
- Power take-off is direct drive, not hydraulics-based
- Demonstrated robustness in hurricanes, winter storms, tsunamis
- PowerBuoy produces power efficiently regardless of direction of incoming waves

Attractive Utility Customer Cost Dynamics

| | Renewables | | | | | Fossil Fuel | |
|-----------------------------------|--------------------|-------------|---------------|---------|-------------|-------------|-------------|
| | OPT Wave Power (a) | Solar PV | Solar Thermal | Biomass | Wind (b) | Natural Gas | Coal |
| Capital Cost \$ million per MW | \$3.9 | \$2.5 – 4.5 | \$5 – 6.5 | \$3 - 4 | \$1.3 – 5.0 | \$1.0 – 1.3 | \$3.0 – 8.4 |
| Energy Cost ¢ per kWh | 15¢ | 9 - 19¢ | 12 - 20¢ | 9 - 14¢ | 5 – 24¢ | 7 – 10¢ | 7.0 – 15.2¢ |

Reduction in capital and energy costs can be derived from:

- Tax Credit monetization – e.g. US Production and Investment Tax Credits, Oregon Energy Tax Credit
- Green tags, renewable obligation certificates, carbon credits
- Grants, subsidies, tariffs – e.g. UK Electricity Market Reform initiatives, Portugal feed-in tariffs

- (a) Company projected costs based on production levels of 400 PowerBuoys per year
 (b) Includes offshore and onshore wind

Sources:

- Levelized Cost of Energy Analysis – Version 5.0, Lazard, August 2011
- Energy Information Administration, Annual Energy Outlook 2011, December 2010, DOE/EIA – 0383 (2010)

Standard Manufacturing Process

- Buoy fabricated near coastal site
- Power take-off and control system (“smart-part”) built in New Jersey
- Integration and test of completed PowerBuoys at dockside near coastal site



PowerBuoy at Fabrication Site



Power Take-Off & Control System

Multiple Paths to Profitability

Recent Projects

Ongoing Marketing Initiatives

Utility PowerBuoys

\$50B
Est. Market

Hawaii 40 kW

Spain 40kW

Scotland 150 kW

Oregon 150 kW

North America 30-150 MW

Europe 30-140 MW

Japan 10 MW

Australia 15-20 MW



Profitability

Autonomous PowerBuoys

\$10B
Est. Market

US Navy LEAP Program

US Navy DWADS Program

Homeland Security

Oil & Gas Platforms

Offshore Aquaculture

Strong Leadership Team

- **Charles F. Dunleavy** – Chief Executive Officer
 - Key role in expanding OPT's operations in Europe, North America, Australia and Japan
 - Instrumental in raising over \$150 million in equity capital for OPT in US and Europe
- **Dr. Philip R. Hart** – Chief Technology Officer
 - Significant experience in marine technology and subsea engineering projects
 - Led multi-discipline engineering teams on various offshore programs, including Global Marine, Racal
- **Michael G. Kelly** – VP Operations
 - 30 years experience in marine industry, including Tyco, ATT, US Navy
 - Management of international commercial and technical teams
- **Angus Norman** – Chief Executive of OPT Ltd
 - Extensive experience in energy and renewable energy generation
 - Previously MD of Sustainable Solutions at EDF Energy
- **Brian M. Posner** – Chief Financial Officer
 - 27 years experience in public and private companies
 - Served on audit staff of PriceWaterhouseCoopers LLP
- **Dr. George W. Taylor** – Executive Vice Chairman
 - Internationally recognized wave energy expert
 - Key to building OPT's business, technology portfolio and strategy



Recent OPT Achievements

- Completed two-year deployment of Hawaii PowerBuoy – first grid-connected wave energy device in US
- Deployed PB150 PowerBuoy off Scotland with strong operational data, and progress made on construction of Oregon PB150
- Received Lloyd's Register Certification of PB150 PowerBuoy design
- Signed ground-breaking agreement with 14 different stakeholders in our utility-scale Oregon project
- Expanded relationships with Mitsui and Lockheed
- Commenced development of PB500, with customer funding
- Successful deployment of LEAP autonomous PowerBuoy
- Launched new technology initiative under WavePort project in Spain

Near-Term Activities and Goals

■ Reedsport, Oregon

- Complete land testing of PB150 PTO in early 2012
- Deploy in mid 2012

■ WavePort, Spain

- Report progress toward system deployment of new PB40

■ LEAP PowerBuoy

- Release results of in-ocean deployment

■ Business Development Initiatives

- Australia
- Japan
- Europe

For More Information

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