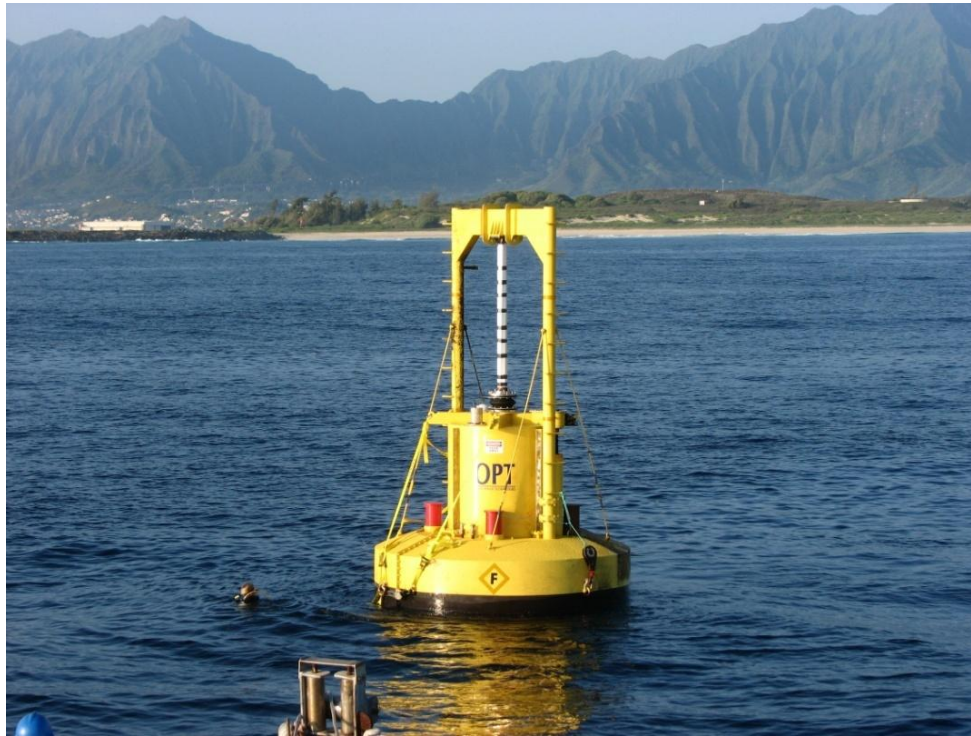


# OPT

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## OCEAN POWER TECHNOLOGIES



### **Company Presentation**

Charles F. Dunleavy, Chief Executive Officer

Brian M. Posner, Chief Financial Officer

November 16, 2010

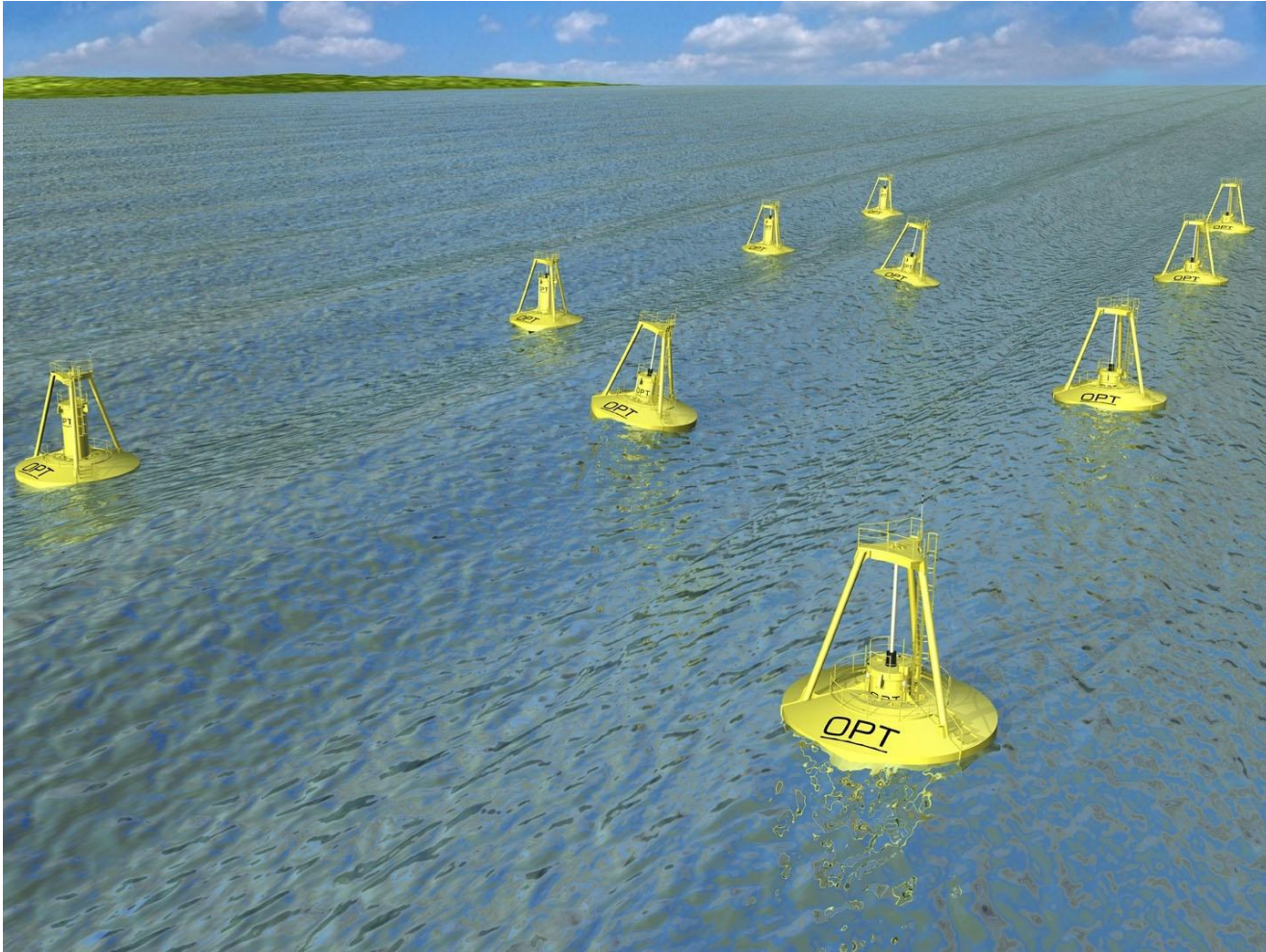
# Forward-Looking Statements

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.

# Company Overview

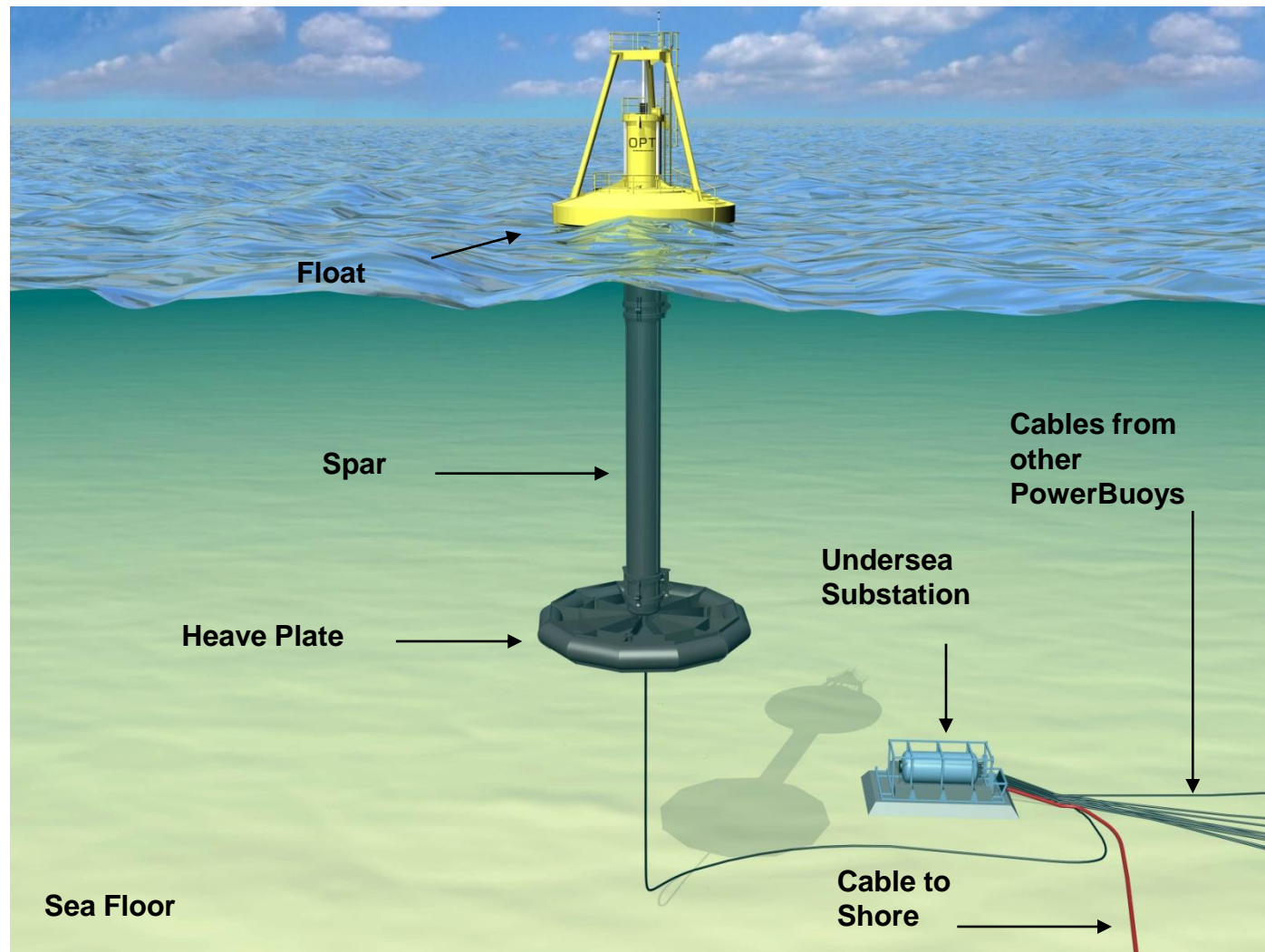
Nature of business:	Sale of turnkey wave power stations, plus related maintenance contracts, for utility & autonomous applications
Commenced active operations:	1994
Incorporation:	Delaware, USA
Operating locations:	Pennington, NJ, USA and Warwick, UK
Total number of employees:	56
Intellectual Property	56 US patents issued or pending
Revenues:	\$5.1 million (Fiscal Year ended April 30, 2010)
Cash and investment balances:	\$60.8 million (as of July 31, 2010)
Public Listings:	Nasdaq (OPTT); London Stock Exchange's AIM (OPT)

# OPT Wave Power Station





# Individual PowerBuoy and Undersea Substation



# 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 in US and Europe

## ■ **Dr. Philip R. Hart** – Chief Technology Officer

- Significant experience in marine technology and subsea engineering projects
- Has led multi-discipline engineering teams on various offshore programs

## ■ **Michael G. Kelly** – VP Operations

- 28 years experience in marine industry
- 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

- 25 years experience in public and private companies
- Served on audit staff of PriceWaterhouseCoopers LLP

## ■ **Dr. George W. Taylor** – Executive Chairman

- Internationally recognized wave energy expert
- Key to building OPT's business, technology portfolio and strategy



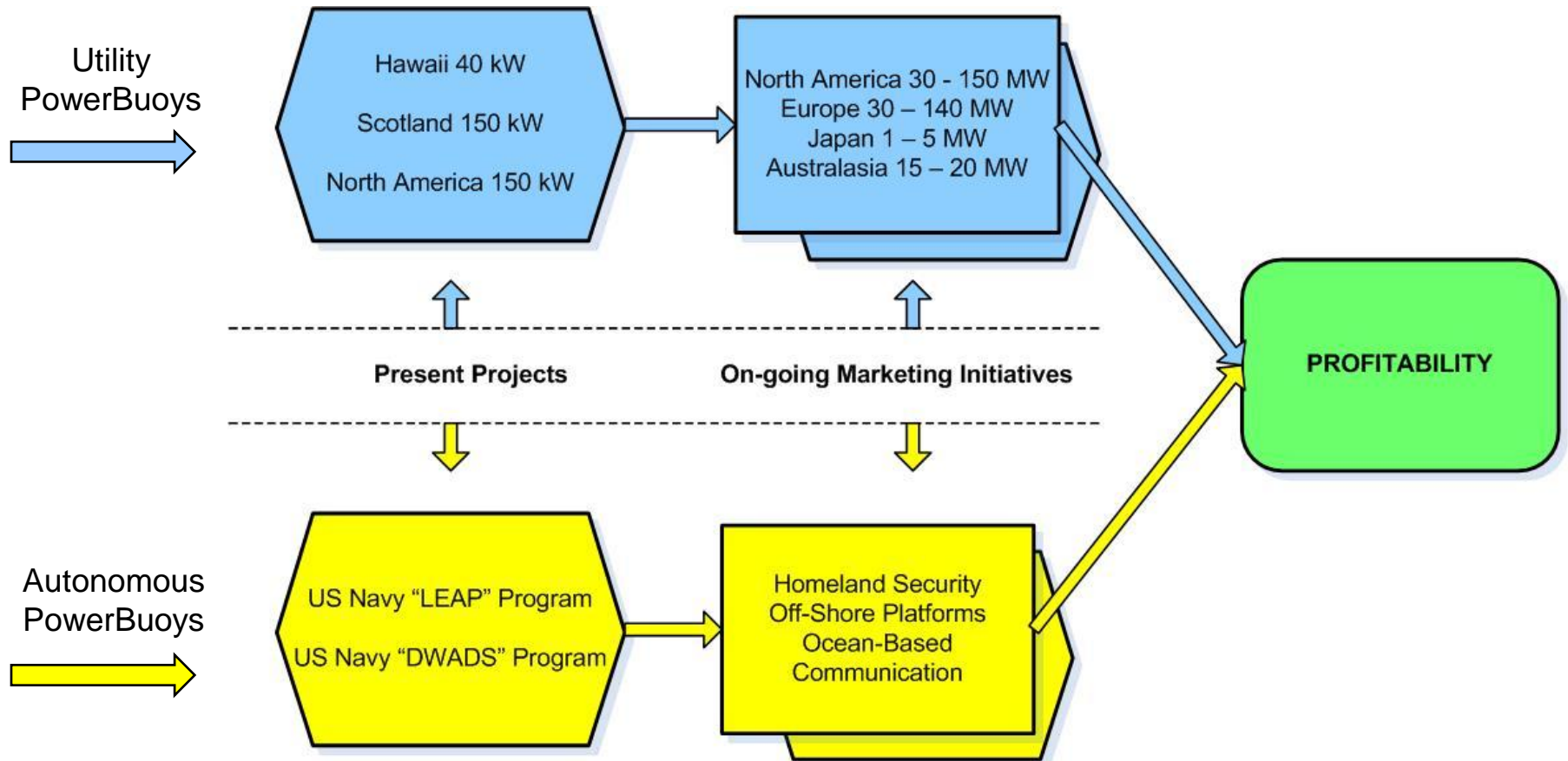
# Business Strategy

- Sell turn-key power stations \* and O&M contracts
- Accelerate revenue streams from autonomous PowerBuoy systems
- “Smart part” built at OPT’s facilities; outsource steel fabrication and balance of plant \*
- Maximize customer funding of technology development \*
- Increase utility PowerBuoy system reliability and output from 150kW to 500kW and grow production volumes to improve economics
- Concentrate on North America, Europe, Australia, Japan
- Collaborate with other organizations to leverage combined expertise

\* Serves to reduce on-going capital needs

# Multiple Paths to Profitability

Utility PowerBuoy \$50 Billion Estimated Market Size



Autonomous PowerBuoy \$10 Billion Estimated Market Size



# Competitive Advantages

- PowerBuoy is based on ocean-going buoys, primarily below the ocean surface
- Extensive in-ocean experience, including successfully withstanding hurricanes and winter storms – insured by Lloyds since 1999
- Electronic “tuning” capability to optimize power output in changing wave conditions
- Certified grid connection system – compliant with international standards
- Independent environmental assessment resulted in “Finding of No Significant Impact”
- Strong partners: US Navy, Lockheed Martin, Iberdrola (Spain), PNGC Power (US), Leighton Contractors (Australia), Mitsui (Japan), US DoE, Scottish Government
- Strong capital base

# Standard PowerBuoy 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

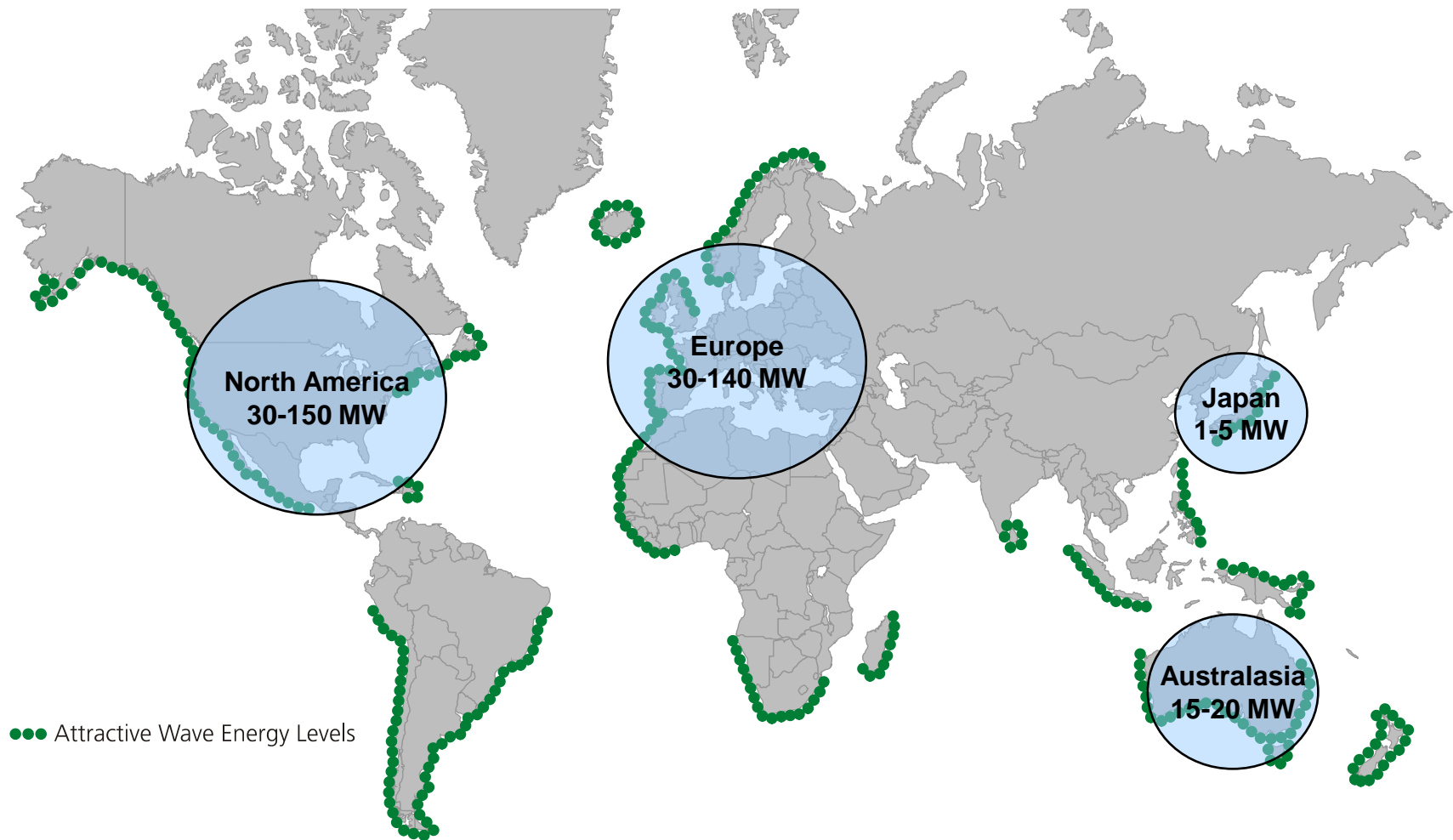


Power Take-Off & Control System

# PowerBuoy Deployment Process



# Ongoing Utility Marketing Initiatives



- Target sales price in production volumes is \$4 million/MW; will be higher initially

# Customer Demand Drivers at Present

- Competitive advantages of the PowerBuoy
- Autonomous PowerBuoy is a unique and enabling technology
- Wave energy is the most concentrated form of renewable energy, predictable, close to population centers, with a small “footprint”
- Renewable portfolio standards in many countries and states
- Government-sponsored grants, tax incentives, feed-in tariffs, loan guarantees
- World-wide concern over climate change and the environment



# Operational Progress – United States

## ■ Hawaii Project - Utility PowerBuoy

- 40kW-rated PowerBuoy deployed and continues to operate at Marine Corps Base in Oahu
- In ocean since late 2009 – nearly 3.5 million cycles of successful operation
- Completed connection to Oahu power grid
- Near-term goal is endurance testing

## ■ US Navy “DWADS” project - Autonomous PowerBuoy

- \$3 million contract to provide OPT’s Autonomous PowerBuoy technology for deep ocean data gathering program
- Built PTO and is now under test
- Near-term goal is to ocean-test off New Jersey

## ■ US Navy “LEAP” project - Autonomous PowerBuoy

- Project to provide wave energy system for coastal surveillance
- Recently-awarded \$2.75 million contract is the second award under a proposed four-year, \$10-\$15 million program
- Near-term goals include PTO testing and design and build of PowerBuoy structure to be ocean-tested

## ■ Reedsport, Oregon Project - Utility PowerBuoy

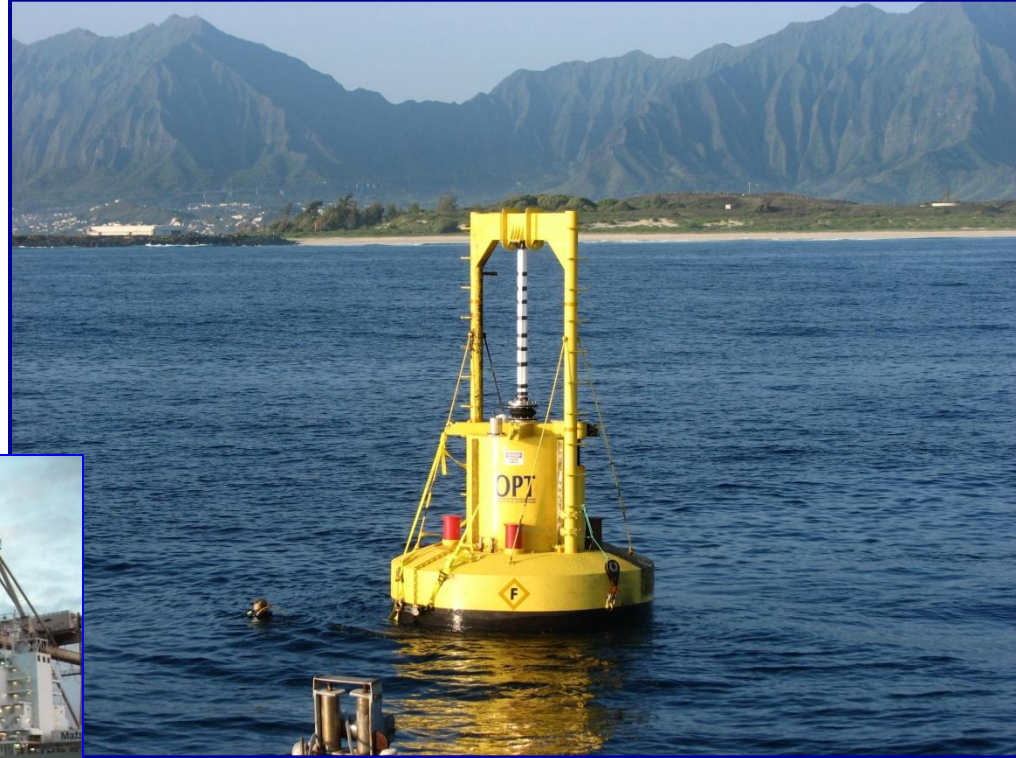
- Construction in process on PB150
- Customers are PNGC Power and US DoE
- Signed ground-breaking agreement with 11 governmental agencies and 3 non-governmental stakeholders
- Near-term goals are final buoy assembly and deployment in 2011

## ■ PB500 Utility PowerBuoy Development Program

- Received \$6.2 Million in US DoE and UK government grants for development of next generation PowerBuoy
- Focus on increasing power extraction efficiency, reliability and Design-for-Manufacture approach
- Near-term goal is to finalize concept design

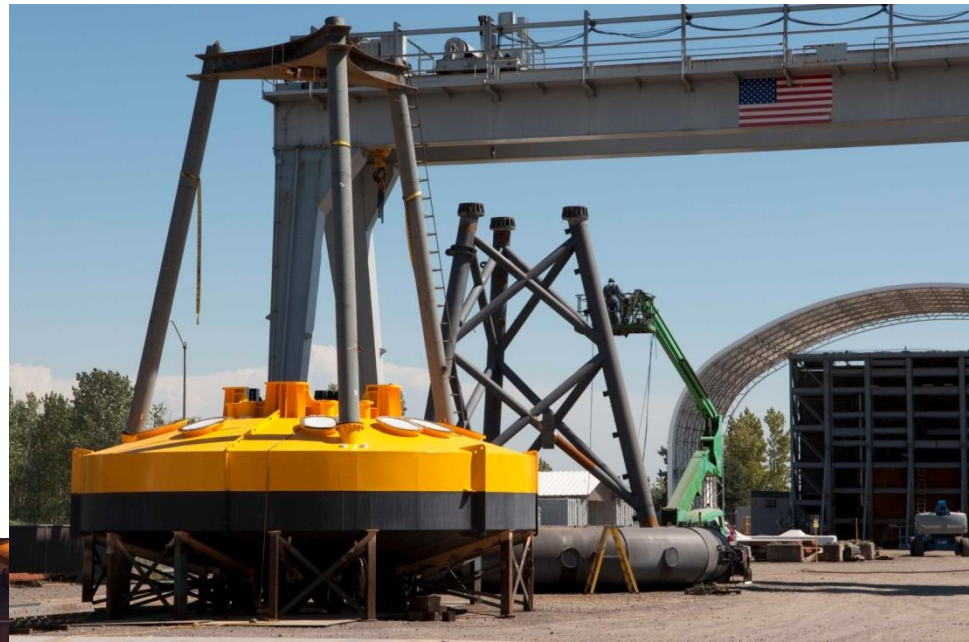


# Hawaii Deployment





# Manufacturing of PB150 – Oregon



# Operational Progress – Europe

## Scotland - Utility PowerBuoy

- Construction complete – energy conversion and power take-off subassemblies soon to be integrated into the buoy structure under contract from Scottish Government
- To be ready for ocean trials late 2010



## Spain - Utility PowerBuoy

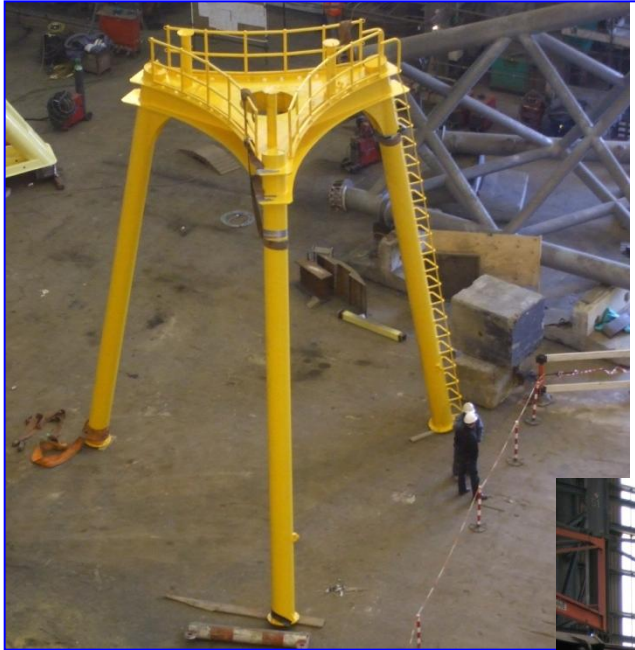
- Completed in-ocean trials of proprietary Undersea Substation Pod under contract from Iberdrola
- Awarded €2.2 million (US \$3 million) European Commission grant to develop enhanced wave power device for Spain

## England - Utility PowerBuoy

- Signed agreement with SWRDA to develop a 5MW berth at the Cornwall Wave Hub
- Installation of cabling and subsea infrastructure now completed by SWRDA
- Awarded £1.5 million (approximately \$2.3 million) grant from SWRDA for 500 kW PowerBuoy



# Manufacturing of PB150 – Scotland





# Operational Progress – International

## ■ Japan

- Breakthrough agreement for development of Japan's first utility-scale wave power station
- Consortium includes Mitsui Engineering & Shipbuilding Co.
- Working with MES under new contract for development of unique mooring method customized for wave power station deployments off the coast of Japan
- Prospective PowerBuoy demonstration plant to provide the basis for commercial-scale OPT wave power station of 10MW or more

## ■ Australia

- Awarded A\$66.5 million (US \$66 million) in partnership with Leighton Contractors Pty Ltd from the Federal Government of Australia to build a 19MW wave power project
- Only wave power company to receive an award under this program
- Leighton working towards completion of funding milestones

# Recent Awards Made to OPT

<b>\$2.3M</b>	<b>Southwest Regional Development Agency (SWRDA) – Award for continuing work on PB500 PowerBuoy development. Awarded 29 Jul 2010</b>
<b>\$0.2M</b>	<b>Subcontract from Mikros Systems Corporation under Phase II SBIR program for MicroBuoy development. Awarded 5 Aug 2010</b>
<b>\$2.4M</b>	<b>US Department of Energy – 2<sup>nd</sup> Award for Reedsport, Oregon program for construction &amp; deployment of PB150 PowerBuoy. Awarded 13 Sept 2010</b>
<b>\$2.75M</b>	<b>US Navy 2<sup>nd</sup> Year of LEAP program for maritime and homeland security. Awarded 25 Sept 2010</b>
<b>\$2.4M</b>	<b>US Department of Energy – 2<sup>nd</sup> Award for continuing development of OPT's next generation PowerBuoy, the PB500. Awarded 13 Sept 2010</b>
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<b>\$10.05M</b>	<b>TOTAL</b>

# Near-Term Goals

- Ocean trials of first PB150 off the coast of Scotland
- Progress on PB150 for Reedsport
- Endurance testing for Hawaii buoy at marine base
- Deployment of enhanced autonomous PowerBuoy for US Navy's marine surveillance program (DWADS)
- PTO testing and design and build of PowerBuoy structure to be ocean tested (LEAP)



# For More Information

**Please Contact:**

Brian M. Posner

Chief Financial Officer

Telephone: 609-730-0400 ext. 242

Email: [bposner@oceanpowertech.com](mailto:bposner@oceanpowertech.com)

**Or visit our website:**

[www.oceanpowertechnologies.com](http://www.oceanpowertechnologies.com)