

NEWS RELEASE

Ocean Power Technologies, Inc.
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USA

For Immediate Release

CONTRACT FOR HOMELAND SECURITY

Pennington, NJ, USA, 30 January 2006 - Ocean Power Technologies, Inc ("OPT", or the "Company") (London Stock Exchange:AIM-OPT), a leading renewable energy technology company that is commercialising its off-shore wave-powered electrical generation systems, announces that it has been awarded a new contract under a program sponsored by the US Department of Homeland Security.

This initial contract is for the design, analysis and planning related to ocean-based systems for the detection and tracking of sea-going vessels. These systems will be designed to include a network of passive acoustic sensors and communications equipment, all powered by OPT's PowerBuoy™ technology. The acoustic sensor array technology will be provided to OPT under a subcontract to Lockheed Martin Corporation, for integration with an optimised signal processing and communication system. A subsequent contract would include an ocean demonstration of a prototype system, leading to full commercialisation of the distributed vessel detection system.

Dr. George W. Taylor, Chief Executive Officer of the Company stated, "OPT is pleased to be a part of this new program which is a vital part of overall border security. Working with Lockheed Martin, we look to optimise and leverage existing ocean-tested technologies in the areas of power generation, sensor arrays and advanced communications platforms. This has important international security and safety applications, and we look forward to being an important contributor to this major programme."

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Background Information

Ocean Power Technologies, Inc.

OPT is the world's first publicly listed wave power company. It is commercialising its proprietary technology for the generation of electrical power using the energy of ocean waves. OPT's wave energy systems are based on modular, buoy-like structures, called PowerBuoys™, which are "intelligent" systems capable of responding to differing wave conditions. The Company's ocean-tested systems have the potential to provide cost competitive, clean electrical power on a large scale without the enhancements of tax credits or subsidies. For further information, see the Company's website: www.oceanpowertechnologies.com.