

NEWS RELEASE

Ocean Power Technologies, Inc.
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For Immediate Release

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AWARD OF CONTRACT TO BUILD WAVE FARM IN SPAIN

Ocean Power Technologies, Inc ("OPT", or the "Company") (London Stock Exchange:AIM-OPT) is pleased to announce the signing of the Engineering, Procurement and Construction (EPC) contract for the next phase of building a 1.25 MegaWatt OPT wave power station off the coast of the Cantabria region in northern Spain.

A special purpose company, with Iberdrola S.A. as its major shareholder, has been established in Spain to purchase the power station from OPT. Iberdrola is one of the largest renewable energy utilities in the world, with over 3,800 MegaWatts of renewable energy generating capacity and the commitment to achieve 6,200 MW in 2008. Other shareholders of the new company include Total S.A., OPT, the industrial development agency of the Spanish region of Cantabria, and the energy agency of the government of Spain.

A Joint Development Agreement was signed by the parties in 2004 to develop the world's first commercial wave power station, a 1.25 MW OPT wave power station near Santona, on the northern Spanish coast. As noted at the time by Roberto Legaz, Director of Renewable Energy at Iberdrola, successful completion of this initial wave power station is expected to lead to the installation of hundreds of megawatts of OPT's PowerBuoy™ wave energy farms off the northern coast of Spain over the next several years. Prior to the award of this EPC contract, OPT completed the first phase of the project, during which it completed system design, characterisation of the deployment site, assessment of wave energy resources, and determination of the transmission cable route.

Under the EPC contract, the wave energy plant will utilise OPT's patented PowerBuoy technology and work performed will include the 'turnkey' construction and installation of the first PowerBuoy system, subsea power transmission cable, underwater substation and grid connection, all of which will be supplied by OPT. The EPC contract takes immediate effect with the order of long lead items and the release of the steel fabrication subcontract to a local Spanish supplier. This contract will begin producing revenues for OPT next month, which will therefore contribute to earnings in the first half of financial year 2007 (the six months to 31 October 2006).

Dr. George W. Taylor, Chief Executive Officer of OPT, said: "Signing an EPC contract with a major renewable energy provider like Iberdrola is an important validation of OPT's PowerBuoy technology and our ability to commercialise it. It also sends a strong signal that wave power is ready to make a substantial contribution to changing global energy needs."

Mark Draper, Chief Executive of Ocean Power Technologies Ltd, the Company's European group which is managing the project, said, "We are delighted to have this significant EPC contract for OPT's first project in Europe. This project has the support of a strong local partnership, and it bodes well for the future of OPT. I look forward to seeing PowerBuoys off the coast of Cantabria in the very near future."

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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. For further information, see the Company's website: www.oceanpowertechnologies.com.