
NEWS RELEASE

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For Immediate Release

OCEAN POWER TECHNOLOGIES AWARDED CONTRACT TO PROVIDE WAVE ENERGY SYSTEM TO LOCKHEED MARTIN

Pennington, NJ, May 19, 2004 - Ocean Power Technologies Inc. (LSE: AIM-OPT) has been awarded an initial \$550,000 contract by Lockheed Martin Corp. (NYSE:LMT) to provide a wave energy generating system to power underwater sensing equipment.

The nine-month contract supports a Lockheed Martin and OPT demonstration of a prototype version of the system in an ocean test. Following successful testing, subsequent phases of the program are expected to include Preliminary Design and Development leading to the System Design Development, as well as an initial production effort on future acquisitions of the Lockheed Martin underwater sensor systems, powered by OPT's PowerBuoy. If contracted, this multi-phased program is anticipated to generate revenues significantly in excess of this initial contract.

Under this contract, Ocean Power Technologies (OPT) will apply its PowerBuoy™ technology, based on intelligent, buoy-like systems capable of responding to differing wave conditions, to develop a small-scale, wave energy conversion system. This energy system is designed to provide continuous, renewable power to Lockheed Martin's underwater sensor systems. By using renewable energy from ocean waves, OPT's technology will improve system performances and reduce total ownership costs.

"OPT's technology for generating power for ocean applications is an important enhancement," said John O'Neill, president of Lockheed Martin Maritime Systems & Sensors' Undersea Systems line of business. "The application of OPT's wave energy conversion system is a significant step in reducing lifecycle costs."

This contract follows work previously funded by the US Navy's Office of Naval Research under the Small Business Innovation Research (SBIR) Program. Vincent Schaper, the Navy's Program Manager, said, "The Navy is pleased to see a technology that addresses a Department of Defense need, also have such tremendous commercial potential. That's one of the main purposes of the SBIR Program."

Dr. George Taylor, Chief Executive Officer of OPT stated, “This contract opens up a new market opportunity for our company. OPT’s small PowerBuoys are expected to be critical to the performance of Lockheed Martin’s underwater sensing systems. In addition there is significant commercial potential as a renewable power source for a range of offshore equipment including meteorological and oceanographic data buoys, fishing and navigational aids, and other data sampling applications. It could enable a whole new class of autonomous offshore installations. We are very pleased that Lockheed Martin selected OPT’s technology.”

For further information, please contact:

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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.