

## COMPANIES UK

## ELECTRICITY

# First Hawaiian buoy benefits Ocean Power

By David Blackwell

Ocean Power Technologies, the renewable energy technology company, lifted contract revenues by 85 per cent last year after installing its first electricity generating buoy off the coast of Hawaii.

The buoy is part of a deal with the US Navy to supply offshore power generating equipment to harness the movement of waves and supply marines with "green" electricity.

The New Jersey-based company has also signed a joint venture with Iberdrola to build a 1.25 megawatt station, made up from several of its buoys off the northern Spanish coast.

George Taylor, chief executive, said the site survey was under way off Santander for the Iberdrola project.

This is expected to generate revenues of \$4.5m (£2.5m) as it is constructed over the next 18 months.

Mr Taylor is also expecting the project to lead to further interest from European utilities, as well as in the UK.

The company has signed

an agreement with the New Jersey Board of Public Utilities for an experimental buoy, which it hopes will lead to further deals both in New Jersey and other states.

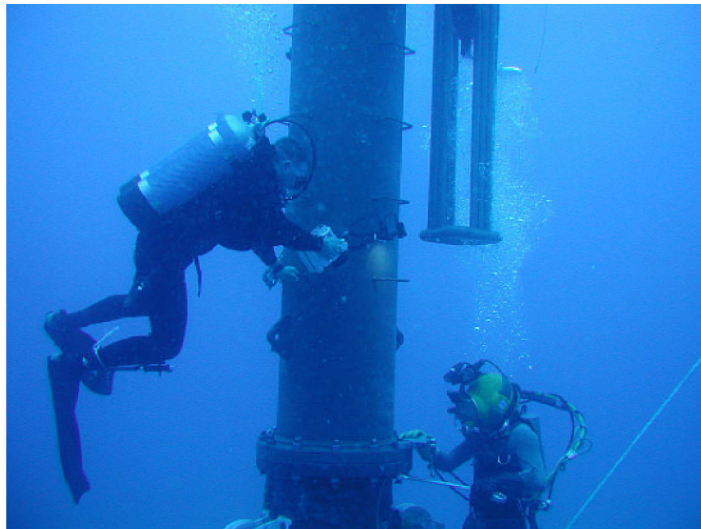
It also has a contract with Lockheed to develop a smaller version of its buoy to power self-sufficient ocean-based sensors used in defence and security systems.

Contract revenues for the year to April 30 rose from \$2.55m to \$4.71m, generating a gross profit of \$393,000 compared with previous losses of \$7,000.

The net loss of \$2.85m reflected a \$3.5m payment to Tyco Electronics for preferred stock and convertible debt, as laid out in the prospectus when the company floated on Aim in October.

The flotation at 125p a share raised £22.4m and net cash at the end of the year stood at £21.3m. The shares yesterday closed 5p higher at 78½p.

Evolution Beeson Gregory, the company's broker, expects the net loss to fall to \$1m this year and a small profit in the year to April 2006.



Harnessing the sea: Ocean Power's technology uses the movement of waves to supply 'green' electricity