OPT Commercialization Update
Forward Looking Statements

In addition to historical information, this presentation contains forward-looking statements that are within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are identified by certain words or phrases such as "may", "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions. These forward-looking statements 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. Some of these factors include, among others, the following: future financial performance; expected cash flow; ability to reduce costs and improve operational efficiencies; revenue growth and increased sales volume; success in key markets; competition; ability to enter into relationships with partners and other third parties; delivery and deployment of PowerBuoys®; increasing the power output of PowerBuoys; hiring new key employees; expected costs of PowerBuoy product; and building customer relationships. Please refer to our most recent Forms 10-Q and 10-K and subsequent filings with the SEC for a further discussion of these risks and uncertainties. We disclaim any obligation or intent to update the forward-looking statements in order to reflect events or circumstances after the date of this presentation.
The Offshore Environment

Reference: 2011 Subsea Tieback Seminar, Oceaneering International, Jakarta
Application #1: Subsea Charging
E-ROV
(electric remotely operated vehicle)

Source: Twitter @Oceaneering
AUV (Autonomous Underwater Vehicle) Docking Station

Source:  Image captured from https://www.youtube.com/watch?v=RaV9zF8lbc
Source:  http://auvac.org/newsitems/view/1858
Source:  https://www.roboticsbusinessreview.com/security/bluefin_develops_deep_sea_docking_stations/
Subsea Batteries

Credit: subseaworldnews.com
Application #2

Surveillance and Monitoring
Offshore Oil and Gas Field Decommissioning Market
(Well Plug & Abandonment)

Decommissioning activity is forecast on 349 fields across the UK, Norwegian, Danish and Dutch Continental Shelves to 2025

Almost 2,500 wells are forecast to be plugged and abandoned across the North Sea up to 2025, with more than two-thirds in the UK

Over 200 platforms are expected to be removed in the North Sea from 2017 to 2025

Nearly 7,800 kilometres of pipeline are forecast to be decommissioned across the North Sea

1,357 installations across the OSPAR maritime area, operators are decommissioning ageing assets through 2025

Operators forecast that total decommissioning spend on the UK Continental Shelf will be £17 billion between 2017 and 2025

Well plugging and abandonment is the largest category of expenditure at almost 50 per cent

The Oil and Gas Authority is targeting a 35% reduction in UKCS decommissioning costs by 2035

Industry is striving to carry out decommissioning cost-effectively, while maintaining high safety and environmental standards

Credit: Decommissioning Insight – Facts & Figures, November 2017, Oil&Gas UK
Problem: Boat and Crew Day Rates are Expensive

- Boat and crew guarding sites during decommissioning of oil platforms and subsea equipment can be $5,000/day over months and years.
- Safety and cost cause offshore operators to seek the use of unmanned systems.
- Current “guard boats” may only have surface monitoring capabilities.

Credit: Times-Picayune archive
Solution: PB3 Surveillance Buoys

PB3 with installed surveillance equipment acts as an unmanned station on site, allowing operators to monitor boat traffic above and operations below from the safety of land at a savings of 35% to 50% per year.\(^1\)

Revenue potential based on single or multi-buoy leases per site per year. Potentially hundreds of sites globally per year, assuming multiple sites per decommissioning project. Buoy sales become more economical for projects lasting longer than 2-years.

\(^1\) Based on third-party operator case study of PB3 replacing guard boat over multi-year project
Replacing Guard Boats With PowerBuoys

Typical “Surveillance Buoy” Payloads

- Infrared camera
- Passive acoustic monitor
- High frequency radar
- AIS transponder
- Fog horn
- 4G/Wifi communications
- Satellite communications
- Well head sensors
- Sea floor equipment condition monitoring
- Meteorological/oceanic sensors
Anchorless PowerBuoy™

- Inertia-based wave energy harvesting technology
- Hybrid energy sources for high availability
  - Wave
  - Diesel
  - Battery
  - Solar (optional)
- Hermetically sealed
- Anchorless
- Steerable electric thrusters
- Multiple concepts of operation
  - Ship-based launch/operate/recover
  - Self-propel from afar
  - Loiter indefinitely with array stowed
- Leverages OPT ocean-proven designs & capabilities
  - Power take-off
  - Energy storage
  - Controls
  - Wave energy analysis
Application #3: Offshore Connectivity

Credit: Tampnet Website
Problem: Satellite Communication is Expensive

• Satellite communication spend for offshore oil and gas projected to reach $460 million per year by 2020 ($3.1 billion per year for global maritime) \(^1\).

• Use of lower-cost 4G connectivity via offshore fiber is increasing, however coverage gaps exist and infrastructure only extends so far.

\(^1\) Frost and Sullivan report
PB3 with installed mast and 4G equipment provides stable platform and persistent power. CellBuoy® acts as a repeater station to improve existing coverage, or base-station application to extend coverage where infrastructure may not yet exist.

Revenue potential is based on single or multi-buoy sales for new or existing infrastructure build-out.
Eni S.p.A. Contract

- Objective: Offshore O&G subsea battery charging leading to:
  - Charging of underwater unmanned vehicles;
  - Well monitoring;
  - Decommissioning applications
- Initial lease: 1 ½ year term, with option to extend by 1 ½ years
- Option to purchase the PowerBuoy™ after first lease period
- Customer required multi-buoy purchase incentive and intellectual property sharing for potential marketing
- Significant costs born by the customer, including deployment, insurance, and storage
- Contracting Duration: 1-Year
  - Project scoping: April 2017
  - OPT vendor qualification: July 2017
  - Contract negotiations begin: September 2017
  - Contract negotiations end: March 2018

Source: Eni website
Sales and Lease Pipeline Management

- Currently in various stages of discussion with operators and service providers concerning:
  - Subsea charging: Unmanned underwater vehicles, remotely operated vehicles, subsea batteries
  - Monitoring and surveillance: well heads, pipelines, surface traffic
  - 4G connectivity: repeater stations, base stations
- Expanding our sales presence in high activity areas to address hot applications
- Protracted contracting duration: as market adoption accelerates, not expected moving forward

Focused on reducing time to order to move toward sustainable order flow

% Contract Process Time

- Product Positioning... education, awareness, and targeting
- Opportunity Identification... solution concept and economic business case
- Proposal Plan... solution design, costing/pricing, and detailed project plan
- Contracting... OPT supplier certification, solution evaluation, terms and pricing negotiation, customer approvals

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OPT Investment Thesis

• Innovative commercial product
• Strong intellectual property portfolio
• Total addressable market: $8.5B
• Attractive end markets: oil & gas, ocean observing, defense & security, communications
• Experienced and disciplined management
Thank You

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