

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

In re:
OCEAN POWER TECHNOLOGIES,
INC. SECURITIES LITIGATION

Case No. 14-3799 (FLW) (LHG)

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

TO: ALL PERSONS OR ENTITIES WHO PURCHASED OR OTHERWISE ACQUIRED OCEAN POWER TECHNOLOGIES, INC. (“OPTT”) SECURITIES BETWEEN JANUARY 14, 2014 AND JULY 29, 2014, INCLUSIVE, AND/OR PURCHASED OR OTHERWISE ACQUIRED OPTT SECURITIES PURSUANT TO AND/OR TRACEABLE TO OPTT’S APRIL 4, 2014 FOLLOW-ON STOCK OFFERING (THE “CLASS”).

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS ACTION. PLEASE NOTE THAT IF YOU ARE A CLASS MEMBER, YOU MAY BE ENTITLED TO SHARE IN THE PROCEEDS OF THE SETTLEMENT DESCRIBED IN THIS NOTICE. TO CLAIM YOUR SHARE OF THE PROCEEDS OF THE SETTLEMENTS, YOU MUST SUBMIT A VALID PROOF OF CLAIM AND RELEASE FORM (“PROOF OF CLAIM”) **POSTMARKED OR SUBMITTED ONLINE ON OR BEFORE OCTOBER 31, 2016.**

A federal court authorized this Notice. This is not a solicitation from a lawyer.

Securities and Time Period: Ocean Power Technologies, Inc. (“OPTT”) common stock (CUSIP, prior to October 29, 2015: 674870308) (CUSIP, on or after October 29, 2015: 674870407) purchased/acquired between January 14, 2014 and July 29, 2014, and/or purchased or otherwise acquired pursuant to and/or traceable to OPTT’s April 4, 2014 follow-on stock offering.

Settlement Fund: \$3,000,000 in cash and 380,000 shares of OPTT common stock. Your recovery will depend on the amount of securities purchased and the timing of your purchases and any sales. Depending on the number of eligible securities that participate in the Settlement and when those securities were purchased and sold, Lead Plaintiff estimates the average cash recovery per share of common stock will be approximately \$0.192 per share (assuming claims representing 19.4 million shares are filed and the value of the OPTT common stock has a value of \$1.92 per share) before deduction of Court-approved fees and expenses.

Reasons for Settlement: Avoids the costs and risks associated with continued litigation, including the danger of no recovery for Class Members.

If the Class Action Had Not Settled: Continuing with the case could have resulted in dismissal or loss at trial. The two sides do not agree on the amount of money that could have been won if Lead Plaintiff prevailed at trial. The parties disagree about: (1) the method for determining whether OPTT securities were artificially inflated during the relevant period; (2) the amount of any such inflation; (3) the extent that various statements and/or omissions alleged by Lead Plaintiff were materially false or misleading; (4) the extent that various statements and/or omissions alleged by Lead Plaintiff influenced the trading price of OPTT securities during the relevant period; and (5) whether the statements and/or omissions alleged were material, false, misleading, or otherwise actionable under the securities laws.

Attorneys’ Fees and Expenses: Lead Counsel has not received any payment for their work investigating the facts, conducting this litigation, or negotiating the Settlement on behalf of Lead Plaintiff and the Class. Court-appointed Lead Counsel will ask the Court for attorneys’ fees of 33% of the Settlement Fund and reimbursement of out-of-pocket litigation expenses not to exceed \$25,000.00 to be paid from the Settlement Fund. If the above amounts are requested and approved by the Court, the average cost per share of common stock will be \$0.192.

Deadlines:

Submit Claim:	October 31, 2016
Request Exclusion:	October 31, 2016
File Objection:	October 31, 2016

Court Hearing on Fairness of Settlement: November 14, 2016

More Information: www.OPTTSecuritiesLitigation.com or

Claims Administrator:
Ocean Power Technologies, Inc. Securities Litigation
Claims Administrator
P.O. Box 4259
Portland, OR 97208-4259

Lead Counsel:
Nicholas I. Porritt, Esq.
Levi & Korsinsky LLP
1101 30th Street, N.W., Suite 115
Washington, D.C. 20007
nporritt@zlk.com

- Your legal rights are affected whether you act or do not act. Read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS CLASS ACTION SETTLEMENT:	
SUBMIT A CLAIM FORM	The only way to get a payment. Proof of Claim forms must be postmarked by October 31, 2016 .
EXCLUDE YOURSELF	Get no payment. This is the only option that allows you to participate in another lawsuit against the Defendants relating to the legal claims in this case. Requests for Exclusion must be received by October 31, 2016 .
OBJECT	You may write to the Court if you do not like this Settlement. Objections must be received by the Court and counsel by October 31, 2016 .
GO TO A HEARING	You may ask to speak in Court about the fairness of the Settlement. Requests to speak must be received by the Court and counsel by October 31, 2016 .
DO NOTHING	Get no payment.

These rights and options—*and the deadlines to exercise them*—are explained in this Notice.

The Court in charge of this case must decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and, if there are any appeals, after appeals are resolved. Please be patient.

BASIC INFORMATION

1. Why Did I Get This Notice Package?

You or someone in your family may have purchased or acquired the publicly traded securities of OPTT listed above between January 14, 2014 and July 29, 2014, and/or purchased and/or acquired OPTT common stock in the April 4, 2014 follow-on stock offering.

The Court ordered that this Notice be sent to you because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves it and after any objections or appeals are resolved, the Claims Administrator appointed by the Court will make the payments that the Settlement allows.

This package explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the District of New Jersey, and the case is known as *Ocean Power Technologies, Inc. Securities Litigation*, Case No. 14-3799 (FLW) (LHG). The person who sued is called the Lead Plaintiff, and the companies and the individuals they sued, OPTT, Charles Dunlevy, and Roth Capital Partners LLC (“Roth Capital”), are called Defendants. Defendants have agreed to settle the claims made in this case.

2. What Is This Lawsuit About?

Lead Plaintiff has filed this lawsuit alleging that OPTT and its former Chief Executive Officer, Charles Dunleavy, violated the federal securities laws by making false and misleading statements and/or omitting statements of material fact regarding OPTT's business, including the capabilities of certain products and the viability of a now-terminated project with the Australian government. In addition, Lead Plaintiff alleges that OPTT, Dunleavy, and Roth Capital made materially false and misleading statements regarding OPTT's business in connection with an April 4, 2014 follow-on stock offering, of which Roth Capital was the underwriter. The Defendants filed motions to dismiss in November 2015, arguing, among other things, that the statements were forward-looking statements that were accompanied by meaningful cautionary language, that Lead Plaintiff ignored the actual disclosures that Defendants made, and that Lead Plaintiff did not plead the requisite state of mind. The Defendants deny that they did anything wrong.

3. Why Is This a Class Action?

In a class action, one or more people or entities called "class representatives" (in this case, the Court-appointed Lead Plaintiff FiveMore Special Situations Fund Ltd.) sue on behalf of people who have similar claims. Here, all these people are called a "Class" or "Class Members." One court resolves the issues for all the Class Members, except for those who exclude themselves from the Class. Judge Freda Wolfson is in charge of this class action.

4. Why Is There a Settlement?

The Court did not decide in favor of the Lead Plaintiff or Defendants. Instead, both sides agreed to a settlement. That way, they avoid the cost of a litigation, and eligible Class Members who make valid claims will get compensation. Lead Plaintiff and its attorneys think the Settlement is best for all Class Members.

WHO IS IN THE SETTLEMENT

To see if you will get money from this Settlement, you first have to determine if you are a Class Member.

5. How Do I Know If I Am a Part of the Settlement?

The Class includes *all persons who purchased or otherwise acquired publicly traded securities of OPTT between January 14, 2014 and July 29, 2014 and/or purchased or otherwise acquired OPTT securities pursuant to and/or traceable to OPTT's April 4, 2014 follow-on stock offering, except those persons or entities that are excluded, as described below.*

6. What Are the Exceptions to Being Included?

You are not a Class Member if you are:

- A Defendant;
- A director, officer, or employee of OPTT during the Class Period;
- A member of the immediate family, trust, company, entity, or affiliate controlled or owned by any excluded party.

If you sold OPTT securities between January 14, 2014 and July 29, 2014, that alone does not make you a Class Member. You are a Class Member only if you purchased or acquired OPTT securities, as described above.

7. I'm Still Not Sure If I Am Included in the Class Action.

If you are still not sure whether you are included, you can ask for free help. You can contact the Claims Administrator toll-free at 1-866-708-0920, or you can fill out and return the Proof of Claim form enclosed with this Notice package to see if you qualify.

THE SETTLEMENT BENEFITS—WHAT YOU GET

8. What Does the Settlement Provide?

Defendants have agreed to pay a total of \$3,000,000 in cash and 380,000 shares of OPTT common stock.

OPTT Settlement Stock

The OPTT Settlement Stock will consist of 380,000 shares of OPTT common stock. OPTT is not providing any price protection for the OPTT Settlement Stock; the number of shares will not be adjusted regardless of whether the value of each share later increases or decreases before distribution to the Class Members. However, the number of shares constituting the OPTT Settlement Stock will be adjusted to account for stock splits, reverse stock splits, and other similar actions taken by OPTT. All costs associated with the delivery or distribution of the OPTT Settlement Stock shall be borne by OPTT.

The OPTT Settlement Stock shall be exempt from the registration requirements of the Securities Act of 1933 under § 3(a) (10) of the Securities Act. The OPTT Settlement Stock shall not constitute “restricted securities” under the Securities Act and may be sold or transferred by recipients thereof who are not affiliates of OPTT (as that term is defined in Rule 144 of the Securities Act) or recipients deemed to be underwriters under the Securities Act without registration under § 5 of the Securities Act or compliance with Rule 144.

Until distribution to Class Members, Lead Counsel agrees to vote the shares of OPTT Settlement Stock in the same proportion as those voted by the shares that are not OPTT Settlement Stock and that are eligible to vote on any matter presented to shareholders for such a vote and, if requested by OPTT, to enter into a voting trust agreement so providing.

The Settlement Fund will be divided among all eligible Class Members who send in valid claim forms, after payment of Court-approved attorneys’ fees and expenses and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing notice (the “Net Settlement Fund”).

9. How Much Will My Payment Be?

Your share of the Net Settlement Fund will depend on several things, including, how many Class Members submit timely and valid Proof of Claim forms, the total recognized losses represented by the valid Proof of Claim forms that Class Members send in, the total number of shares of OPTT common stock you purchased or acquired, how much you paid, when you purchased or acquired, and if you sold your securities and for how much.

By following the instructions in the Plan of Allocation, you can calculate what is called your Recognized Loss. The Plan of Allocation for this Settlement is as follows: Each Class Member that submits a valid Proof of Claim form (an “Authorized Claimant”) will be assigned a Recognized Loss. An Authorized Claimant’s Recognized Loss depends upon the number of OPTT shares held at certain points in time during the Class Period. The following table provides the per-share amount of each Authorized Claimant’s Recognized Loss. These amounts represent the average amount of potential damages per share:

		Date Shares Sold			
		Prior to June 10, 2014	June 10, 2014 to July 15, 2014	July 15, 2014 to July 29, 2014	After July 29, 2014
Date Shares Purchased	Prior to June 10, 2014	\$0/share	\$0.84/share	\$1.18/share	\$1.18/share
	June 10, 2014 to July 15, 2014	N/A	\$0/share	\$0.34/share	\$0.34/share
	After July 15, 2014	N/A	N/A	N/A	\$0/share

In addition, for any share of OPTT common stock purchased in or traceable to OPTT’s April 4, 2014 secondary offering, an Authorized Claimant’s Recognized Loss will be increased by 20% in connection with those shares. This increase is due to the consideration that claims under the Securities Act of 1933 (which apply to shares purchased in the follow-on stock offering) are stronger than claims under the Securities Exchange Act of 1934 (which apply to all other shares). You will need to submit proof of purchase in the follow-on offering in order to receive this bonus.

It is unlikely that you will get a payment for all of your Recognized Loss. After all Class Members have sent in their Proof of Claim forms, the payment you get will be a part of the Net Settlement Fund equal to your Recognized Loss divided by the total of everyone's Recognized Losses. Your payment will be made in cash and OPTT Settlement Stock.

HOW YOU GET A PAYMENT—SUBMITTING A PROOF OF CLAIM

10. How Will I Get a Payment?

To qualify for payment, you must be an eligible Class Member, and you must send in a Proof of Claim. A Proof of Claim is enclosed with this Notice. Read the instructions carefully, fill out the form, include all the documents the form asks for, sign it, and mail it in the enclosed envelope postmarked no later than **October 31, 2016**.

11. When Will I Get My Payment?

The Court will hold a hearing on **November 14, 2016**, to decide whether to approve the Settlement. If Judge Wolfson approves the class action Settlement, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps several years. Everyone who sends in a claim form will be informed of the determination with respect to their claim. Please be patient.

12. What Am I Giving Up to Get a Payment or Stay in the Class?

Unless you exclude yourself, you are staying in the Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants about the same legal issues in this case. It also means that all of the Court's Order will apply to you and legally bind you, and you will release your claims in this case against the Defendants. The terms of the release are included in the claim form that is enclosed.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement, but you want to keep the right to sue or continue to sue any of the Defendants on your own about the same legal issues in this case, then you must take steps to get out of the Class. This is called excluding yourself or is sometimes referred to as opting out of the Class.

13. How Do I Get Out of the Settlement Class?

To exclude yourself from the Settlement Class, you must send a letter by mail stating that you want to be excluded from *In re Ocean Power Technologies, Inc. Securities Litigation*, Case No. 14-3799. You must include your name, address, telephone number, signature, the number and type of OPTT securities you purchased or acquired between January 14, 2014 and July 29, 2014, the number and type of securities sold during this time period, if any, and the dates of such purchases and sales. You must mail your exclusion request postmarked no later than **October 31, 2016** to:

Ocean Power Technologies, Inc. Securities Litigation
Claims Administrator
P.O. Box 4259
Portland, OR 97208-4259

You cannot exclude yourself by phone or email. If you ask to be excluded, you are not eligible to get any Settlement payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit.

14. If I Do Not Exclude Myself, Can I Sue the Defendants for the Same Thing Later?

No. Unless you exclude yourself, you give up any right to sue the Defendants for the claims resolved by the class action Settlement. If you have a pending lawsuit against any of the Defendants, speak to your lawyer in that case immediately. Remember: The exclusion deadline is **October 31, 2016**.

15. If I Exclude Myself, Can I Get Money from This Settlement?

No. If you exclude yourself, do not send in a claim form. But, you may sue, continue to sue, or be part of a different lawsuit against any of the Defendants.

THE LAWYERS REPRESENTING YOU

16. Do I Have a Lawyer in This Case?

The Court asked the law firm Levi & Korsinsky LLP to represent you and other Class Members.

These lawyers are called “Lead Counsel.” You will not be charged for the services of these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How Will the Lawyers Be Paid?

Lead Counsel will ask the Court for attorneys’ fees of 33% of the Settlement Fund and for reimbursement of their out-of-pocket litigation expenses up to \$25,000.00, which were advanced in connection with the Action. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

The attorneys’ fees and expenses requested will be the only payment to Lead Counsel for their efforts in achieving this Settlement and for the risk in undertaking this representation on a wholly contingent basis. To date, Lead Counsel has not been paid for their services for conducting this litigation on behalf of the Lead Plaintiff and Class nor for their substantial out-of-pocket expenses. The fees requested will compensate Lead Counsel for their work in achieving the Settlement Fund, and they are well within the range of fees awarded to class counsel under similar circumstances in other cases of this type. The Court may award less than this amount.

Lead Counsel will also request reimbursement of attorneys’ fees and expenses for administration of the Settlement, including costs associated with notice and the fees and expenses of the Claims Administrator. Those amounts will be requested before distribution of the Net Settlement Fund to Class Members. Again, such sums as may be approved by the Court will be paid from the Settlement Fund.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

18. How Do I Tell the Court That I Do Not Like the Settlement?

If you are a Class Member, you can object to the Settlement if you do not like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send a letter saying that you object to the Settlement in *In re Ocean Power Technologies, Inc. Securities Litigation*, Case No. 14-3799 (FLW) (LHG). Be sure to include your name, address, telephone number, signature, the OPTT common stock purchased and sold between January 14, 2014 and July 29, 2014, and the reasons you object to the Settlement. Any objection to the Settlement must be mailed or delivered such that it is received by the following no later than **October 31, 2016**. Address for Lead Counsel:

Nicholas I. Porritt, Esq.
Levi & Korsinsky LLP
1101 30th Street, N.W., Suite 115
Washington, D.C. 20007

Lead Counsel will then immediately provide to Defendants’ Counsel any such objection.

19. What’s the Difference Between Objecting and Excluding?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object *only if* you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S SETTLEMENT HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you do not have to.

20. When and Where Will the Court Decide Whether to Approve the Settlement?

The Court will hold a Settlement Hearing at **10:00 a.m., on November 14, 2016**, at the United States Courthouse, Clarkson S. Fisher Building & U.S. Courthouse, 402 East State Street, Courtroom 5E, Trenton, NJ 08608. At this hearing, the Court will consider whether the Settlement of the Action is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Wolfson will listen to people who have asked to speak at the hearing. The Court will also consider how much to pay to Lead Counsel. The Court may decide these issues at the hearing or take them under consideration. We do not know how long these decisions will take.

21. Do I Have to Come to the Hearing?

No. Lead Counsel will answer questions Judge Wolfson may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

22. May I Speak at the Hearing?

You may ask the Court for permission to speak at the Settlement Hearing. To do so, you must send a letter saying that it is your intention to appear in *In re Ocean Power Technologies, Inc. Securities Litigation*, Case No. 14-3799 (FLW) (LHG). Be sure to include your name, address, telephone number, signature, and the number and type of OPTT securities purchased or acquired between January 14, 2014 and July 29, 2014. Your notice of intention to appear must be received no later than **October 31, 2016**, by Lead Counsel at the address listed in question 18. You cannot speak at the hearing if you exclude yourself from the Class.

IF YOU DO NOTHING

23. What Happens If I Do Nothing at All?

If you do nothing, you will get no money from this Settlement. But, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants about the same legal issues in this case.

GETTING MORE INFORMATION

24. Are There More Details About the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Stipulation and Agreement of Class Settlement dated as of May 5, 2016. You can get a copy of the Stipulation or more information about the Settlement by visiting www.OPTTSecuritiesLitigation.com. You can also obtain a copy of the Stipulation and Agreement of Class Settlement from the Clerk's Office during regular business hours:

Clerk of Court
U.S. Courthouse
402 East State Street, Room 2020
Trenton, NJ 08608

Other inquiries can be directed to the Claims Administrator at:

Ocean Power Technologies, Inc. Securities Litigation
Claims Administrator
P.O. Box 4259
Portland, OR 97208-4259

Or Lead Counsel at:

Nicholas I. Porritt, Esq.
Levi & Korsinsky LLP
1101 30th Street, N.W., Suite 115
Washington, D.C. 20007

**DO NOT TELEPHONE THE COURT OR DEFENDANTS' COUNSEL
REGARDING THIS NOTICE.**

SPECIAL NOTICE TO NOMINEES

If you are a broker, bank, or other nominee that purchased Ocean Power Technologies, Inc. (“OPTT”) common stock (CUSIP, prior to October 29, 2015: 674870308) (CUSIP, on or after October 29, 2015: 674870407) at any time between and including January 14, 2014 through and including July 29, 2014, and/or purchased in the April 4, 2014 follow-on stock offering, then within ten (10) calendar days of your receipt of the Notice, you must either:

- (a) Provide the Claims Administrator, Epiq, with a list of the names and last known addresses of beneficial owners described above; or
- (b) Request from the Claims Administrator sufficient copies of the Notice and Proof of Claim (“Notice”) to forward to all such beneficial owners and, within ten (10) calendar days of receipt of those copies, forward the Notice to such beneficial owners.

If you are providing a list of names and addresses to the Claims Administrator:

- (a) Compile a list of names and addresses of beneficial owners who purchased or acquired OPTT common stock at any time between and including January 14, 2014 through and including July 29, 2014, and/or purchased or otherwise acquired pursuant to and/or traceable to OPTT’s April 4, 2014 follow-on stock offering;
- (b) Prepare the list in Microsoft Excel format, for which a preformatted spreadsheet can be found on the website, www.OPTTSecuritiesLitigation.com. Then, either:
 - a. Email the list to info@OPTTSecuritiesLitigation.com; or
 - b. Burn the Microsoft Excel file(s) to a CD or DVD and mail the CD or DVD to Epiq, the Claims Administrator, at:

Ocean Power Technologies, Inc. Securities Litigation
Claims Administrator
P.O. Box 4259
Portland, OR 97208-4259

If you are mailing the Notice Packet to beneficial owners:

Request the needed number of copies of the Notice and Proof of Claim via email to info@OPTTSecuritiesLitigation.com. You must mail the Notice Packets to the beneficial owners within fourteen (14) calendar days of your receipt of the Notice Packets. Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice, which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you are entitled to reimbursement for your reasonable expenses actually incurred in complying with the foregoing, including reimbursement of reasonable postage expenses and reasonable costs of obtaining the names and addresses of beneficial owners, provided you timely submit an invoice to the Claims Administrator. Please submit a copy of your invoice to the Claims Administrator within one month of the completion of mailing or delivery date.

If you have any questions, contact the Claims Administrator at info@OPTTSecuritiesLitigation.com or by calling 1-866-708-0920.

DATED: June 21, 2016

**BY ORDER OF THE UNITED
STATES DISTRICT COURT FOR THE
DISTRICT OF NEW JERSEY**