

Ocean Power Technologies

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Ocean Power Technologies tumbles after unveiling \$15 million secondary offering

Shares of Ocean Power Technologies Inc (NASDAQ:OPTT) plunged Thursday after the renewable energy company unveiled a secondary offering to raise \$15 million and fund its business.

The company is selling 4.29 million shares at a price of \$3.50 together with warrants, which will have an exercise price of \$3.85, as well as pre-funded warrants with a purchase price of \$3.49 per share.

By the afternoon, investors sent the New Jersey company's shares reeling by 59% to \$3.15 due to the secondary offering, a move which doesn't tend to be well-received.

READ: Ocean Power's stock soars on oil and gas contract win

The offering is set to close on April 8.

Headquartered in Monroe Township, New Jersey, Ocean Power provides power generation devices and services to extract energy from ocean waves.

The company's shares closed up by 55% to hit \$7.76 Wednesday after announcing it has signed a contract with a leading oil and gas exploration company decommissioning subsea wells in the Gulf of Mexico.

Ocean Power will undertake a 12-week paid feasibility study on how the company could help the oil producer in the monitoring of subsea wells during the decommissioning process. The company also said it will study other technical issues -- such as consumer power demands and how that affects power generation, the company said.

Ocean Power did not name the oil producer nor the amount of the contract in its release.

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Price: 2.16

Market Cap: \$49.87 m

1 Year Share Price Graph



October 2019 April 2020 October 2020

Share Information

Code: OPTT

Listing: NASDAQ

52 week High Low
3.72 0.329

Sector: Tech

Website:
www.oceanpowertechnologies.com

Company Synopsis:

Ocean Power Technologies, Inc. develops and is commercializing systems that generate electricity by harnessing the renewable energy of ocean waves.

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