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USA Technologies Expands Contract with U.S. Government's General Services Administration

Full EnergyMiser? Product Line Now Sold Directly to Federal and State Government Agencies

MALVERN, PA, April 27, 2006 -- USA Technologies (OTC Bulletin Board: USAT) announced today that its contract to sell EnergyMiser? products through the U.S. General Services Administration (GSA) had been expanded to include the company's full energy management product line. The GSA is a Federal Government agency that influences nearly \$66 Billion in Government spending. The contract with USA Technologies enables all Federal and State Government authorities, agencies and facilities worldwide to purchase the full line of EnergyMisers on a no bid basis.

The Company reported that the VM2iQ? and the CM2iQ?, which are installed inside vending machines and coolers, had been approved and added to the GSA offerings schedule, bringing the total number of USAT offerings to six.

The VM2iQ and CM2iQ are considered tamper proof and are among USAT's most popular EnergyMiser products. They join the VendingMiser, CoolerMiser, SnackMiser and PlugMiser that have been offered through GSA since November 2004.

The announcement comes at a time when fuel and energy costs in America are reaching record highs and when business, industry, institutions and governments are increasingly seeking out energy conservation technology to help lower energy consumption.

Since USA Technologies secured its contract with GSA, the Company has generated in excess of \$600,000 in revenue from the sale of its EnergyMiser products. Purchasers include U.S. military bases, military divisions, the Air National Guard, federal departments and agencies, state and city governments, and to school districts, schools, universities and colleges. With the addition of the VM2iQ and CM2iQ to the GSA contract the Company expects the sales to these segments to accelerate.

"The GSA expanding the number of USA Technologies energy management products to their approved schedule is further recognition of the power and importance of our energy management solutions in national energy conservation," said Wendy Jenkins, Vice President of Marketing, USA Technologies. "Having our products on the GSA Schedule has already accelerated the sales process to the government sector, and brings USA Technologies further recognition as a significant GSA contractor."

USA Technologies' EnergyMiser products have the capability of reducing the electrical energy consumed by beverage vending machines and coolers by nearly half. The VM2iQ and CM2iQ offer the greatest energy savings in high traffic areas. The technology utilizes a system that cycles down the power on vending machines and coolers when they are not in active use. The machines cycle on intermittently according to the ambient temperature to keep the beverages cool.

Companies are included on the GSA Schedule after an assessment of them as viable suppliers to the Federal Government, the quality of their products, as well as their ability to provide service and support.

"Being included on the GSA Schedule gives a company and its products selling opportunities with the largest purchaser of goods and services in the world, the United States Federal Government," said Ms. Jenkins.

USA Technologies estimates there are more than one million beverage vending machines in the Federal sector, and an equal number of beverage coolers.

"Each vending machine costs an average \$300 a year to operate, and by equipping them with the EnergyMiser, the Government could save hundreds of millions of dollars on energy costs annually," said Ms. Jenkins. "With energy prices again reaching record highs, customers are turning to immediate energy management solutions, and our EnergyMiser energy management product line not only offers immediate relief, but can pay for itself in under a year."

Statement under the Private Securities Litigation Reform Act:

With the exception of the historical information contained in this release, the matters described herein contain forward-looking statements that involve risk and uncertainties that may individually or mutually impact the matters herein described, including

but not limited to product acceptance, the ability to continually obtain increased orders of its products, the ability to meet installation goals, economic, competitive, governmental impacts, whether its pending patents will be granted or defensible; validity of intellectual property and patents of USA, the ability of USA to license its patents, the ability of USA to commercialize its developmental products, technological and/or other factors, which could cause actual results or revenues to differ materially from those contemplated by these statements.