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California State Government Organization Purchases USA Technologies VendingMiser®

MALVERN, PA, August 18, 2005 -- USA Technologies (OTC Bulletin Board: USTT) announced today that another State Government authority has purchased its VendingMiser energy management technology to save taxpayer dollars.

The latest authority to join USA Technologies energy management program is the State of California Department of Corrections and Rehabilitation.

The Department of Corrections and Rehabilitation is installing VendingMiser devices on vending machines located in various facilities throughout California, including prisons, substance abuse treatment facilities, training, medical and vocational facilities, and reception centers.

"We are continually looking for ways to improve energy efficiency and reduce operating cost; the VendingMiser easily meets our program criteria. The Vending Miser is easy to install, is cost effective and results in significant energy savings," said Harry Franey, Chief, Energy Management Section, Department of Corrections and Rehabilitation. "The VendingMiser helps the Department meet its energy reduction goals established in Executive Order S-20-04".

"The Federal Sector, especially the Department of Defense, has installed and used our energy management technology, and word of the benefits is spreading," said Wendy Jenkins, Vice President of Marketing, of USA Technologies. "With the cost of energy at record highs and showing no sign of stabilizing, or falling, both the public and private sector are opting for energy management technologies to lower their dependence on electricity, and our energy management technology is not only delivering immediate results, but it's easy to install and pays for itself in a short period of time."

USA Technologies' program to drive greater energy conservation in the Federal and State sectors is consistent with the recent signing by the President of the Energy Policy Act of 2005, which includes investment in energy efficiency and conservation technologies, research and development and energy tax provisions.

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 within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements relate to future events or our future financial performance and involve known and many involve unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by forward-looking statement including, but not limited to prospects for future market growth. In some cases, you can identify forward-looking statement by terminology such as "may," "will," "should," "expects," "anticipates," "believes," "estimates," "potential," "continue," or the negative terms or other comparable terminology. Although we believe that the expectations in the forward-looking statements contained in this release are reasonable, we cannot guarantee future results, levels of activity, and performance achievements including the success of our anticipated product demonstration, ability to obtain orders for or install products described in this release, our ability to obtain new customers and our ability to commercialize products (including the eZ80Acclaim! Flash MCU for e-Port solution and the e-Port on a chip). These forward-looking statements are based on our current expectations, and we disclaim any obligation to update these forward-looking statements for subsequent events or to explain why actual results differ unless otherwise required by law. You should not place undue reliance on these forward-looking statements.