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USA Technologies Receives Notice of Allowance for Two Intelligent Vending® Patents

Allowed Patent Applications will Bring the Company's Patent Total to 65 Upon Issuance

MALVERN, PA, March 7, 2006 -- USA Technologies, Inc. (OTC Bulletin Board: USAT) announced today that the US Patent and Trademark Office (USPTO) has issued a notice of allowance for another patent application from its e-Port® family of cashless, wireless vending products. Additionally, the Company announced that the USPTO has issued a notice of allowance for another patent application for its Miser line of energy conservation products for vending machines and glass front coolers.

The announcement comes just days after the maker of Blackberry e-mail devices settled a \$612.5 million patent dispute with NTP Incorporated.

"We are encouraged that companies are able to successfully protect their intellectual property," said Stephen P. Herbert, President and COO, USA Technologies. "The multi-million dollar patent settlement for NTP should send a powerful message. USA Technologies has accumulated a formidable intellectual property portfolio in the area of Intelligent Vending and will endeavor to leverage and protect our patents in an aggressive manner," he said.

The US Patent Office also recently issued patent number 6,975,926, an Intelligent Vending patent for technology that reduces the amount of energy needed to power vending machines and coolers. The patent is entitled "Method and Apparatus for Power Management Control of a Compressor-based Appliance that Reduces Electrical Power Consumption of an Appliance".

"These are technologies that are rapidly growing in demand as consumers seek the ease and convenience of cashless, and vending machine operators pursue lower operational costs," said Mr. Herbert. "They also set the stage for driving revenues from licensing our intellectual property, and I am delighted to report we are working with five Fortune 100 companies both designing and pursuing Intelligent Vending solutions."

"These patents are critical as the marketplace moves into the era of Intelligent Vending. Our e-Port technology allows consumers to make purchases from vending machine using their credit card and our energy management technology reduces the cost of powering a vending machine by as much as half," Mr. Herbert said.

"The e-Port patent in notice of allowance entitled 'Cashless Vending Transaction Management by a Vend Assist Mode of Operation' is an important continuation," said Brock Kolls, Vice President, Research and Development, USA Technologies. "Together, all 15 patents and patent applications pending in the area of wireless, cashless vending are fundamental to our latest Generation 4 and Generation 5 e-Ports that are driving USA Technologies entry into the multi-billion dollar contactless credit/debit card market."

The Company reports that once the two patent applications currently indicated by the US Patent Office as allowable issue it will have a total of 65 patents granted and 27 pending patent applications, making it a leader among small and medium businesses filing for patents.

"In today's competitive marketplace driven daily by new technologies, it's strategically advantageous to have an aggressive patent strategy in place that both protects your company's investment in products and assures customers of their investment in your products," said Mr. Herbert. "But it's also important to leverage your intellectual property to generate a financial return through licensing, and that has been a constant objective of our patent strategy and is now beginning to pay a financial return as more companies apply to license our technology," he said.

Among early companies to sign a technology licensing agreement with USA Technologies is Mars Electronics (MEI), the world's leading manufacturer of payment systems for bills and coins. The agreement allows MEI to use USA Technologies intellectual property to connect to USALive®, the company's network for e-Port® cashless transactions. More recently, USA Technologies has been in licensing discussions with financial institutions seeking to access its patented wireless technology and network services.

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.