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Navy Purchases USA Technologies' Energy Management Products Through GSA Advantage System

Follow-order by Navy Expands Bases Using Company's Energy Management Products Reduces Cost and Time

MALVERN, PA, June 11, 2005 -- USA Technologies (OTC Bulletin Board: USTT) announced today that the U.S. Navy has ordered VendingMisers®, SnackMisers?, and PlugMisers?, via the GSA Advantage!® shopping and ordering system. The Naval Base Coronado, in San Diego, California, made the purchase through a five-year agreement USA Technologies has negotiated with the U.S. General Services Administration.

The order was placed under a budget provided by the Secretary of the Navy to Naval Base Coronado for winning the Large Shore Installation Energy Conservation Award. The range of energy management products purchased is expected to reduce energy consumption in vending and snack machines on the base by about half.

"We've installed the VendingMiser devices on our machines at Naval Base Coronado, more than a year ago," said Michael Magee, Base Energy Manager. "We wanted to further our energy savings by purchasing VendingMiser devices for our San Clemente Island base."

"The GSA contract enables Federal Government agencies worldwide, including the military, access to thousands of approved contractors and suppliers who provide goods and services to the Federal Sector at pre-approved prices," said Stephen P. Herbert, President and COO, of USA Technologies. "Due to the savings generated by our energy management products, the Navy is expanding the number of bases employing the products. Since we are an approved GSA provider, it is easier than ever to purchase our products on-line through the GSA Advantage!® system. It makes the process efficient, as it literally took a minute to transact, making it one of the most cost effective ordering and purchasing systems in the marketplace."

"Our goal, by purchasing this equipment, is to further increase our energy savings while reducing our costs. The availability of this equipment on GSA Advantage!®, accelerated our purchasing process from days to minutes," said Aubrey Kaufman, Management and Program Analyst for Naval Base Coronado. "I received the purchase request, logged into the system, typed in the required item numbers and quantities, pushed the purchase button and received an order confirmation, avoiding considerable paperwork, bureaucracy, inconvenience, and costly delay. The items were shipped and received within days of the order being placed. We were provided essential shipment details to track the shipment, should it have been required."

Using GSA Advantage!®, customers can go on line to search for items using keywords, part numbers, manufacturer names, contractor names, or contract numbers. They can compare features, prices, and delivery options; configure products and add accessories; place orders directly online; review delivery options; select a convenient payment method; and view order history to track status, reorder, or cancel.

"We have already sold thousands of energy management products to Government Agencies, but this was the first on-line order, and as word of its convenience and ease-of-use spreads, we expect numerous follow-up orders. The GSA Advantage!® program is especially convenient for customers in remote locations, such as military bases worldwide, and it offers significant cost and time saving benefits," said Mr. Herbert.

Earlier this year USA Technologies sold more than 5,000 VendingMisers to a defense agency under its agreement with the GSA. Only days earlier the U.S. Air Force completed installing nearly 500 VendingMisers at its Kadena base on Okinawa, in the Pacific. The U.S. Navy has also begun converting cold drink vending machines with VendingMisers on bases at Yokosuka in Japan, Naval Station Pearl Harbor, and in San Diego, California.

USA Technologies estimates purchases already made by the U.S. military will save the Federal Sector millions of dollars a year in electricity costs, and that the customer could expect to recover the cost of the VendingMisers in less than a year. "Our immediate objective is to save the American economy one-billion kWh of electricity, or about \$20 million in savings a year, and with the American military aggressively taking a lead in energy conservation nationwide and overseas, we anticipate achieving that goal very quickly," said Mr. Herbert. "With energy prices still at record highs and showing no sign of easing, customers are turning to immediate energy management solutions, and our energy management product line not only offers immediate relief, but pays for itself in a matter of months."

The GSA is the second Federal Government authority to authorize USA Technologies' energy management products after the U.S. Department of Energy authorized the Company's VendingMiser® for inclusion in the Federal Energy Management Program. That authorization led to the Department of Energy recommending VendingMiser for implementation in vending machines located in Federal Government buildings worldwide.

The GSA influences nearly \$66 Billion in Government spending. There are an estimated one million vending machines and refrigerated coolers in the Federal sector, and by equipping them with VendingMiser, USA Technologies believes the Government could save up to \$100 million on energy costs annually.

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.