

Sacramento Utility Latest to Offer Rebate for USA Technologies' VendingMiser®

MALVERN, Pa, October 17, 2005-- USA Technologies (OTCBB: USTT) announced today that the Sacramento Municipal Utility District (SMUD) would immediately offer VendingMiser® customers a \$90 rebate.

"The SMUD rebate provides a good incentive to vending machine owners and operators who take advantage of the energy saving capability of our VendingMiser technology. Energy conservation efforts are a positive response to the President's call for America to utilize energy conservation technology to help ease the nation's energy crisis," said Stephen P. Herbert, President and COO, USA Technologies.

Earlier this week, USA Technologies announced entering into a contract for the purchase of 5,000 VendingMiser devices by SBW Consulting Inc. (SBW), a leading energy management technology firm based in Bellevue, Washington. SBW provides energy efficiency services to utilities, and in this case is purchasing VendingMisers on behalf of its customer, Puget Sound Energy (PSE), Washington State's largest investor-owned energy utility.

"With colder months approaching, our customers and partners in the public and private sectors are growing increasingly more concerned about high energy prices and are actively seeking out technology that will ease their reliance on energy and lower the cost burden," said Mr. Herbert. "Energy utilities nationwide are leading by example and are aggressively promoting energy rebates to customers who install energy management technology, and we are delighted more are recognizing our technology among solutions that offer immediate and dramatic savings," he said.

There are more than eight million vending machines in the United States, costing on average \$300 per unit annually to power. VendingMiser has the capability of reducing the electrical energy vending machines consume by up to one-half.

The Sacramento Municipal Utility is the sixth largest publicly owned utility in the nation, and is known the world over for its innovative energy conservation programs. SMUD is offering the \$90 rebate for the next 15 months.

USA Technologies reported that 22 energy utilities are now offering rebates on the purchase of energy efficient products. VendingMiser rebates range from \$30 to \$120 per unit. The utilities include locations in New York, Connecticut, Maine, Massachusetts, Vermont, Washington State, Minnesota, Nevada, Hawaii, and California.

In addition, more than 100 electric utilities have participated, or are currently participating in USA Technologies' VendingMiser turnkey programs. Turnkey programs provide utility customers with VendingMiser controllers and installation, at no cost.

Learn more about both programs.

"We believe we have reached critical mass in this part of our business. Our Miser product line is facilitating sales growth as the marketplace responds in a time of real energy challenge in America," said Mr. Herbert. "This is both good for our customers, as we offer a unique solution which can provide immediate energy savings, and good for the Company as we work towards our goal of increasing revenues with each passing quarter," he said.

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 obtained increased orders of its products, the ability to meet installation goals, economic, competitive, governmental impacts, whether its pending patents will be granted or defendable; 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.