

August 8, 2005

George Boyadjieff, Oil/Gas Well Drilling Industry Expert, Joins Power Efficiency Corp. as Senior Technical Advisor

LAS VEGAS, NV, Aug. 8, 2005--Power Efficiency Corporation (OTC BB:PEFF.OB), a developer and international marketer of patented energy-saving devices for alternating current induction motors, announced today that George Boyadjieff, the retired CEO of the former Varco International, a NYSE, diversified Oil Service Company with over \$1.3-billion in annual revenues, has joined Power Efficiency Corporation as Senior Technical Advisor. Steven Strasser, CEO of Power Efficiency Corporation, made the announcement.

Boyadjieff was at Varco International for 34 years and, acting in roles including Chief Engineer and CEO, grew the company from \$3-million to over \$1.5-billion in sales. (The company recently merged with National Oil Well (symbol NOV).

"George will help our company develop new products, provide general business advice, and help us enter the oil field market, a very large market with great potential in which we are just starting to make inroads," said Strasser. Boyadjieff, who holds over 50 U.S. patents, many of them contributing substantially to the revenue growth of Varco, is considered the industry's leading expert in Oil and Gas well drilling equipment. "With his vast knowledge of and contacts in the industry, we are excited that he has accepted the position and welcome him to our team," concluded Strasser.

Boyadjieff began his career working for Lawrence Livermore National Laboratory as a research engineer. He also worked for the Bendix Corporation, now a part of Honeywell, as an aerospace project engineer. He holds BS and MS degrees in Mechanical Engineering from the University of California at Berkeley and is a graduate of the UCI executive program. He is a resident of Villa Park, Orange County, CA.

Power Efficiency Corporation designs and manufactures energy saving motor controllers, which include a soft start for constant speed-variable load AC induction motors. The savings from these controllers are typically 15-35%, but can be as high as 45%. The controllers also provide significant motor life extension and downtime reduction benefits, and are UL compliant and CE and CSA certified.

Power Efficiency Corporation provides proprietary energy management technology solutions. The company's core technology, which is based on patented improvements to NASA technology, is effective on motors that run at constant speeds and under variable loads. These motors are found in escalators, elevators, grinders, mixers, saw mills, oil well pumps and many other applications. The Company also has a prototype unit applicable to single phase electronic motors such as clothes dryers, refrigerators, vending machines, mixers and coffee grinders.

The Company's mission is to deliver innovative and high quality energy saving products to its customers. Power Efficiency is committed to helping businesses control energy costs and achieve their energy-savings goals. Power Efficiency's products are approved by the European and Canadian Standards Association, and independent United States Government laboratories over several thousand Power Efficiency Motor Controllers have been sold and successfully installed in various applications in North America. For more information visit www.powerefficiencycorp.com or contact B.J. Lackland at 702-697-0377.

The statements contained in this release, which are not historical facts, may be deemed to contain forward-looking statements, including, but not limited to, deployment of new services, growth of customer base and sales, and growth of service area, among other items and other statements identified by words such as "may," "could," "would," "should," "believes," "expects," "anticipates," "estimates," "intends," "plans," or similar expressions. Actual results may differ materially from those anticipated in any forward-looking statement with regard to magnitude, timing or other factors. Deviation may result from risk and uncertainties, including, without limitation, the Company's dependence on third parties, market conditions for the sale of services, availability of capital, operational risk and uncertainties and those detailed in the Company's filings with the Securities and Exchange Commission. The Company disclaims any obligation to update information contained in any forward-looking statement

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