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Power Efficiency Corporation Enters the Mexican Market With Its First Sale to One of the Largest Hotel Chains in the Country

LAS VEGAS, Nov. 3 /PRNewswire-FirstCall/ -- Power Efficiency Corporation (OTC Bulletin Board: PEFF - News), a developer of advanced energy-saving technologies for alternating current induction motors, announced today they sold products to Grupo Posadas S.A. de C.V., the parent of the popular Fiesta Americana Hotels, to be used on elevators and escalators in several of their properties.

"The Grupo chain of hotels is a strong complement to our escalator and elevator business," commented Steven Strasser, Chairman and CEO of Power Efficiency. "We are thrilled to extend our reach into Mexico and delighted by the opportunity to add the Grupo Posadas chain of quality hotels to our customer base," Strasser continued. Most elevators and escalators consume more power than necessary, but the Power Efficiency Performance Controller provides the motor with power in proportion to the required workload, eliminating wasted energy.

"More and more companies are adopting energy savings measures both to fulfill their environmental needs and improve their bottom lines by reducing energy expenses," Strasser said. Companies such as Wal-Mart and General Electric have recently announced that energy savings is a corporate priority. Because of this shift in the attention to wasted energy, and the prospect of reducing expenses, Strasser sees a growing demand for energy efficiency products.

The Mexican market is attractive for sales of the Performance Controller because electricity rates in Mexico, as well as in much of Asia and Europe, are much higher than rates in the U.S. Higher electricity rates make energy savings technologies such as the Performance Controller more attractive to customers.

About Grupo Posadas S.A. de C.V.

Grupo Posadas is one of the largest hotel chains in Mexico. Grupo Posadas operates more than 90 resorts and hotels throughout Mexico, South America, and the United States. Its six brands include Fiesta Americana, Fiesta American Grand, Fiesta Inn, Caesar Park, Caesar Business, and The Explorean.

A pioneer in the Mexican hotel industry, Posadas was founded in 1970 with the opening of the Fiesta Palace hotel, which is now the Fiesta Americana Reforma. Grupo Posadas' hotels are staffed with bilingual personnel. Conventions, group gatherings, large banquet-style events comprise much of the company's business.

Today, Posadas, with more than thirty years of operations, accounts 93 hotels in beach resort destinations and cities in Mexico, the United States and South America.

About Power Efficiency Corporation

Power Efficiency Corporation designs and manufactures controllers that reduce the amount of energy used by electric motors. 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, granulators, mixers, saw mills and many other applications. The savings from these controllers are typically 15-35%, but can be as high as 45%. The controllers also reduce the operating heat of the motor, which provides significant motor life extension and downtime reduction benefits. The controllers are UL compliant and CE and CSA certified. The Company also has a prototype unit applicable to single phase electronic motors that are found in applications such as clothes dryers, refrigerators, vending machines, mixers and coffee grinders.

For more information visit www.powerefficiencycorp.com or contact B.J. Lackland at 702-697-0377.

As a cautionary note to investors, certain matters discussed in this press release may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such matters involve risks and uncertainties that may cause actual results to differ materially, including the following: changes in economic conditions; general competitive factors; acceptance of the Company's product in the market; the Company's success in technology and product development; the Company's ability to execute its business model and strategic plans; and all the risks described from time to time in the Company's SEC filings. Power Efficiency assumes no obligation to update the information in this release.

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