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Power Efficiency Corporation Announces Significant Energy Savings in Test of Technology at New York Facility

Test Shows 40% Reduction in Amperage Consumption and 35% Savings in Kilowatt Hours in Elevator Operation

LAS VEGAS--(BUSINESS WIRE)--April 20, 2006--Power Efficiency Corporation (OTCBB: PEFF - News), a developer and manufacturer of advanced energy savings technologies for electric motors, today announced successful results of a test conducted on an Otis Elevator Company installation at a facility in New York. Otis Elevator is the largest service provider of elevators and escalators in the world.

Using Power Efficiency's patented technology, the tests showed very significant energy savings, including an amperage (current) reduction of approximately 48% and an estimated savings in kilowatt hours of approximately 35%. New York State has one of the highest electricity rates in the country.

"This test validates yet again the effectiveness of our advanced technology for the reduction of energy consumption by electric motors," said Power Efficiency Corp.'s Chairman and CEO, Steven Strasser. "Saving over one-third of the electricity used by an electric motor powering a complex piece of machinery is an extremely significant accomplishment. These savings result in a very good rate of return and payback in the New York market."

Strasser continued, "This is following up on our strategy to develop our elevator and escalator business while entering industrial markets. We are presently involved in several installations and expect to release more test results in the coming weeks. We are targeting markets with high electricity rates, such as California, New York and Nevada."

Specific data from the test includes:

- Measured current reduction from 14 amps to 7.3 amps
- Estimated kilowatt hour reduction of 35%
- 15 horsepower electric motor powering a motor-generator elevator
- 208 volt power

About Power Efficiency Corporation

Power Efficiency Corporation designs and manufactures controllers that reduce the amount of energy used by alternating current induction motors. PEC power controllers allocate power in direct proportion to the required workload, eliminating wasted energy. 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, enabling significant motor life extension and downtime reduction benefits. PEC products 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.

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 and related information described from time to time in the Company's SEC filings, including the financial statements and related information contained in the Company's 2005 Annual Report. Power Efficiency assumes no obligation to update the information in this release.

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