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Power Efficiency Corporation Announces Successful Tests at Boyd Gaming Corporation's Sam's Town Las Vegas

Energy Savings Average 36% on Two Escalators at Las Vegas Landmark Casino, Bolstering Sales Possibilities in Gaming and Hospitality Industry

LAS VEGAS--(BUSINESS WIRE)---Power Efficiency Corporation (OTCBB: PEFF), a developer and manufacturer of advanced energy savings technologies for electric motors, today announced that it completed successful tests on two escalators at the Sam's Town Las Vegas, one of the flagship properties of Boyd Gaming Corporation.

"We are extremely pleased our products have performed so successfully in this test, the latest of three tests we've recently announced. With this positive result, we are more encouraged than ever about the likelihood of an industry-wide adoption of our products," said Steven Strasser, the Company's Chairman and CEO.

Boyd Gaming Corporation (NYSE: BYD) has nineteen gaming entertainment properties in six states. With 2005 revenues of over \$2.2 billion, Boyd Gaming is the third largest gaming company in the U.S.

The results of these tests reinforce the drastic power cost reductions possible with Power Efficiency's products in commercial and industrial facilities. Equipment powered by electric motors that operate at constant speed, but have a variable load, are excellent candidates for energy savings with the Company's technology. This includes not only escalators and elevators, but also many types of industrial equipment, such as granulators, mixers, grinders, stamping presses, crushers, and more. Further tests on equipment in commercial and industrial facilities are planned and ongoing.

The specific parameters and results of the test include:

- Two escalators, each with 15 horsepower electric motors operating virtually non-stop 24 hours a day, 7 days a week
- The "up" escalator showed 40.5% energy savings, resulting in projections of over 10,700 kilowatt hours in savings per year
- The "down" escalator showed 32.4% energy savings, resulting in projections of over 6,400 kilowatt hours in savings per year

About Power Efficiency Corporation

Power Efficiency Corporation designs and manufactures the Power Genius(TM), a product that reduces the amount of energy used by electric motors in many constant speed/variable load applications. These motors are found in escalators, elevators, grinders, granulators, mixers, saw mills and many other applications. The Power Genius(TM) allocates power in direct proportion to the motor's required workload, eliminating wasted electricity. The company's core technology is based on patented improvements to NASA technology. The savings from these controllers are typically 20-40%, 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 electric 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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