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RAILPOWER PRIVATE PLACEMENT

VANCOUVER, CANADA, December 5, 2001 – RailPower Technologies Corp. (P-CDNX) announces that the private placement financing originally announced on July 30th and subsequently announced on September 12th as delayed until financial markets improve, is now expected to close on or about December 10, 2001.

The terms of the proposed private placement are substantially the same but have been changed to an offering of units from an offering of special warrants. Raymond James Ltd. has agreed to undertake on a best efforts basis a private placement to raise \$1,000,000 gross proceeds through the sale of 1,000,000 units at \$1.00 per unit. Each unit comprises one share and one half of one share purchase warrant. Each whole warrant will be exercisable to acquire one additional common share at a price of \$1.10 for a period of 18 months from the date of closing. It is anticipated that the shares and warrants will have a four month hold period. As part of the Agent's compensation, Raymond James Ltd. will receive an Agent's option to acquire units equal to 15% of the number of units sold in the offering.

The Canadian Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

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