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RAILPOWER PRIVATE PLACEMENT

VANCOUVER, CANADA, December 20, 2001 – RailPower Technologies Corp. (P-CDNX) announces that the private placement financing, the anticipated closing of which was announced on December 5th, closed on December 19, 2001.

Raymond James Ltd. has brokered a private placement raising \$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 December 19, 2001. The shares and warrants have a four month hold period expiring April 20, 2002. As part of the Agent's compensation, Raymond James Ltd. received an Agent's option to acquire units equal to 15% of the number of units sold in the offering, also with a hold period expiring April 20, 2002.

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

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