

RAILPOWER UPDATE AND SUMMARY 2002 FINANCIAL RESULTS

VANCOUVER, CANADA, December 9, 2002 – RailPower Technologies Corp. (“RailPower”) (TSX Venture - P) announces its summary financial results for the year ended September 30, 2002 and a corporate update.

Revenues totaled \$90,952, and expenses totaled \$596,359 for a loss of \$505,407, compared to revenues of \$60,120, expenses of \$1,213,645, and a loss of \$1,153,525 in the year prior. Cash at September 30, 2002 stood at \$3,809,030 compared to \$121,201 a year earlier. Net working capital at year end stood at \$3,787,853 compared to \$479,819 a year earlier. Share capital increased by \$3,921,849 from the beginning of the year to \$5,895,459. As at September 30, 2002 there were 14,468,000 common shares issued and outstanding, 2,567,500 warrants outstanding, and 1,399,000 options outstanding. The loss per share for the fiscal year was \$0.038 compared to a loss per share of \$0.148 in the prior fiscal year.

RailPower’s Green Goat hybrid locomotive is scheduled to be moved from Union Pacific’s Roseville, California yards to the Union Pacific (“UP”) yards in Chicago in January 2003. UP wishes to conduct additional testing of the Green Goat and to evaluate the Green Goat’s potential applicability in different switching services, including intermodal – container service.

Some UP services may require a less demanding duty cycle and UP representatives will be visiting RailPower’s headquarters in North Vancouver in January to also assess and provide input into RailPower’s smaller hybrid locomotive, the Green Kid, currently under construction at Southern Rail in Burnaby, B.C. The visit will also consider how major components: batteries, remote and electronic controls, generators and compressors, could be packaged in retrofit applications. UP is also considering its budgetary process and where an order with RailPower might fit. UP has, to date, made no commitment to buy any of the units.

Simon Clarke, Executive Vice President Corporate Development, said “In addition to the railroads, RailPower continues to receive expressions of interest from industrial and other potential non-railroad customers. RailPower believes that these other markets also offer significant potential for the company’s hybrid locomotives.”

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

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