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GREEN GOAT'S UP TRIAL EXTENDED TO JUNE 30, 2003. NEW DEMO IN CHICAGO

VANCOUVER, CANADA, January 17, 2002 – RailPower Technologies Corp. ("RailPower") (TSX Venture - P) announced today that the demonstration trial of its Green Goat hybrid locomotive with the largest railroad in the US, the Union Pacific ('UP'), has been extended by a signed agreement today to June 30, 2003.

The extension is to facilitate testing of the emissions-reducing locomotive at the UP's Proviso switch yards in Chicago. The Green Goat has been at the UP's Roseville switch yards near Sacramento since early March 2002.

"The Green Goat is anticipated to arrive in Chicago in about five days' time. It has been modified to take account of the anticipated colder working conditions there," said Frank Donnelly, Chief Technology Officer.

"We are excited at the prospect of being able to demonstrate the Green Goat's technological advantages over conventional switchers in what is one of the major railroad cities in the US."

The Chicago trial will have the Green Goat 'instrumented' to confirm internal data which shows that it gets a minimum of 30% fuel savings and 80-90% reductions in smog-precursor NOx and particulate emissions said Donnelly.

RailPower Technologies Corp. (www.railpower.com) is a leader in specialized energy technology systems for transportation and power generation. In addition to its patented mainline and switcher locomotive technologies, it is developing rDirect power conditioning technology for distributed and remote power generation technologies such as micro-turbines.

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

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