



FOR IMMEDIATE RELEASE

TSX Venture Symbol: P

RAILPOWER CLOSES \$3.2 MILLION PRIVATE PLACEMENT

VANCOUVER, British Columbia, July 3, 2003 – RailPower Technologies Corp., (TSX-V: P), a leader in specialized energy technology systems, announced today that it has successfully closed its recently announced private placement. Due to excess demand, the amount of the private placement has been increased to C\$3.2 million from the C\$3.0 million originally announced.

Under the terms of the private placement, RailPower has issued 1,600,000 Units at a price of C\$2.00 per Unit. Each Unit is comprised of one Common Share and one Common Share Purchase Warrant. Each Warrant entitles the holder to acquire one additional Common Share at a price of C\$2.25 per share for a period of 18 months from the date of closing. The Common Shares and Warrants are subject to a four-month hold period, expiring November 4, 2003.

Of the total amount of the offering, C\$2.2 million was raised through Bob Wilfur, of First Capital Management Ltd., of Calgary. First Capital will receive a finder's fee equal to approximately 6.5% of that amount. The remaining C\$1.0 million was provided by Richardson Ventures Inc., a subsidiary of James Richardson & Sons, Limited. No finder's fee or commission is payable with respect to their investment.

About RailPower

RailPower Technologies Corp. (www.railpower.com) is a leader in specialized energy technology systems for transportation and power generation. In addition to its patented locomotive technologies, it has a patent pending in respect of its rDirect power conditioning technology for distributed and remote power generation technologies.

For more information, please contact:

Simon Clarke
Executive Vice President, Corporate Development
RailPower Technologies Corp.
(604) 904-0085 ext.206 phone
(604) 904-1186 fax
e-mail: sclarke@railpower.com

Jay Hussey
Investor Relations
The Equicom Group Inc.
(416) 815-0700 ext. 225 phone
(416) 815-0080 fax
e-mail: jhussey@equicomgroup.com

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