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**TSX Venture Symbol: P**

**RAILPOWER ANNOUNCES  
2003 THIRD QUARTER RESULTS**

*-Company ready to take commercial orders for Green Goat and Green Kid locomotives-*

**VANCOUVER, British Columbia, August 29, 2003** – RailPower Technologies Corp., (TSXVEN:P), a leader in specialized energy technology systems, today reported its third quarter and nine months financial results for the periods ended June 30, 2003.

For the third quarter RailPower reported a net loss of \$0.6 million or \$(0.04) per share on revenue of \$34,714 versus net income of \$0.1 million or \$0.01 per share on revenue of \$38,839 for the corresponding period in 2002. The movement to a net loss resulted from higher general and administrative and research and development activity related to the commercialization of the Company's Green Goat and Green Kid hybrid locomotives. Additionally, the Company received approximately \$344,000 in tax credits in the 2002 period that offset expenditures; RailPower had no such credits for the third quarter of 2003. The modest decline in income arose from a combination of lower interest rates and lower company cash balances compared to the third quarter of 2002.

"In the quarter we took several crucial steps toward commercialization of our technology," said Jim Maier, President and CEO. "Among these was the late June announcement that RailPower is now able to take commercial orders for its hybrid switcher locomotives following the successful completion of the trial of our 2,000 horsepower (hp) Green Goat hybrid switcher locomotive with Union Pacific Railroad. We also announced, and subsequently closed in July, a \$3.2 million financing that will help us fund the initial production run of the smaller 1,000 hp Green Kid locomotives as well as pre-production work for two Green Goats."

At the end of the quarter, the Green Goat was transferred from the trial in Chicago with Union Pacific to Los Angeles for a short demonstration trial with Pacific Harbor Line. Pacific Harbor Line services the ports of Los Angeles and Long Beach, the busiest ports in North America. This trial represents an opportunity for RailPower to test the Green Goat in a demanding heavy-duty switching environment. As the trial nears its conclusion, a further announcement will be made regarding the results of this demonstration.

For the nine months ended June 30, 2003, RailPower reported a net loss of \$2.0 million or \$(0.14) per share versus a net loss of \$0.3 million or \$(0.02) per share in the corresponding period of 2002. The principal factor in the increased loss was a research and development expense of \$1.5 million for the year-to-date versus an R&D expenditure of \$0.3 million in the first nine months of 2002. General and administrative expenses increased to \$0.7 million for the nine months ended June 30, 2003 compared to \$0.3 million for the prior year period.

At June 30 2003, RailPower had \$2.7 million in working capital including \$2.8 million in cash versus working capital of \$3.8 million including \$3.8 million cash at the end of fiscal 2002. With this working capital balance and the funds raised during the financing, the Company is well capitalized and able to implement its growth strategy for the foreseeable future.

**About RailPower**

RailPower Technologies Corp. ([www.railpower.com](http://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.

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