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**FOR IMMEDIATE RELEASE**

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**RAILPOWER AND CANAC TEAM FOR DEVELOPMENT OF  
LATEST RAIL TECHNOLOGIES**

**VANCOUVER, British Columbia, September 11, 2003** – RailPower Technologies Corp., (TSX-V:P), a leader in specialized energy technology systems, announced today the signing of a Memorandum of Understanding (MOU) with CANAC Inc., of Montreal, a major rail technologies and systems innovator, to develop and promote hybrid locomotives with integrated remote control systems for the North American and international rail switcher locomotive markets.

Under terms of the MOU, RailPower will work with CANAC to integrate its BELTPACK<sup>®</sup> locomotive remote control system into RailPower's Green Goat and Green Kid hybrid locomotives and to offer CANAC products and services to its railroad customers. CANAC will also supply to RailPower remote control systems on an Original Equipment Manufacturing (OEM) basis for industrial customers.

As well, CANAC will immediately identify two of its 60 industrial switcher locomotives for conversion to Green Kid hybrids. Other locomotives that would be suitable candidates for hybridising will be identified at a later date.

As part of the agreement, RailPower customers will receive online support from CANAC's established 24-hour Helpdesk and access to related web-based training programs and CANAC will provide field support for RailPower's hybrid locomotives. RailPower will examine the possibility of using CANAC's Montreal facilities for the assembly of some of its Green Goat and Green Kid locomotives.

RailPower President and CEO, Jim Maier, said "We are extremely pleased with formalizing our relationship. CANAC is one of the world leaders in locomotive remote control technologies and has a large fleet of industrial switcher locomotives. We look forward to working with them to help develop, implement and demonstrate new, unique remote control systems for switching operations for which RailPower's digital hybrid locomotives are excellent platforms. As well, CANAC's international presence provides additional real opportunities for both groups to expand upon."

CANAC President and CEO, Frank Trotter, stated "We are very happy to have this opportunity to provide our products through RailPower, one of the most innovative companies in the rail industry, and to be able to start implementing their innovative hybrid technology within our existing industrial switcher fleet and to explore mutually beneficial technology and marketing initiatives within North America and globally. CANAC helps railroads operate more safely, more efficiently and more competitively. To that end, we see RailPower's technology as having tremendous potential to help keep CANAC on the leading edge of this key element of railroad operations."

**About CANAC**

CANAC, a wholly-owned subsidiary of Canadian National Railway Company (CN), for more than 30 years has been a leading provider of knowledge-based products and services to railroad, industrial and public sector customers, including remote control systems, training, specialized engineering and outsourced operations.

**About RailPower**

RailPower's hybrid locomotives are aimed at the replacement market created by the rapidly aging switcher fleets in North America. The Green Goat Plus and the Green Goat, at 2,000 horsepower equivalent, are designed for the largest rail yards, while the Green Kid, at 1,000 h.p., is for smaller industrial yards. They feature very low maintenance requirements and cut diesel fuel use 50-80%, and NOx and dangerous particulates 80-90%, when compared to average performance of conventional yard switchers in the same power range.

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