

FOR IMMEDIATE RELEASE

TSX Venture Symbol: P

RAILPOWER[®] APPOINTS FORMER TOP BOMBARDIER RAIL EXECUTIVE TO ITS BOARD

VANCOUVER, British Columbia, January 26, 2004 - RailPower Technologies Corp. (TSX-V: P), a leader in specialized energy systems and hybrid locomotive technologies, announced today the appointment of Roland Gagnon, Senior Vice President, Canadian Pulp and Paper Manufacturing Group, Domtar Inc., to the board of directors. He replaces Frank Donnelly, who continues his full-time role as Chief Technology Officer.

Gagnon was vice president manufacturing for Bombardier Inc.'s mass transit division from 1980 to 1986. From 1986, he was president of Bombardier's rail and diesel division, until, in 1990, he became executive vice president, manufacturing, for Bombardier Aeronautique. Gagnon joined Domtar in 1997 as vice president, human resources development and work organization. In February 1999, he was appointed senior vice president for the wood products division and to his present appointment in June, 2001.

RailPower[®] Chair, Norm Gish, said "Roland brings considerable manufacturing expertise to the company. He is highly respected for his ability to rapidly implement cost-effective and efficient modular manufacturing processes. Roland's knowledge and expertise will assist us with the managed growth of our out-sourced manufacturing as we move ahead with our commercialization program. It is key that we deliver, on time, on budget and on target for quality."

Gagnon said "I am delighted to be joining the board of what is, I believe, one of Canada's most exciting, young companies. Certainly, it is one that has all the potential to help make a heavy industry more efficient while benefiting the environment."

Gagnon, who obtained Bachelor of Arts and Applied Sciences degrees from the University of Laval, is a registered mechanical and industrial engineer with the Professional Corporation of Engineers. He has been granted 70,000 options to purchase common shares of RailPower[®] at a price of \$2.40 per share for a period of five years, subject to the approval of the TSX Venture Exchange.

Gish concluded, "Frank Donnelly is stepping down from the board to be able to focus on his full-time role as Chief Technology Officer. He is the visionary for our technologies and it is through his creativity and foresight that our hybrid locomotive program has become a reality. While we remain fully committed to commercialization of our existing hybrid locomotives, we have a number of other opportunities for our hybrid technologies in special purpose and transit scenarios. Frank will spearhead development of these products."

Donnelly said, "I am excited to be taking on additional challenges. We now have sufficient depth of engineering expertise to commercialize our current hybrid locomotives and this will allow me to focus on alternative applications that we believe will offer significant potential for RailPower[®] and its shareholders."

RailPower Technologies Corp.'s (www.railpower.com) hybrid locomotives feature small diesel gensets and large banks of recyclable lead-acid batteries. Remanufactured from existing switchers locomotives from the rapidly aging pool of nearly 10,000 switchers in North America, they cut oxides of nitrogen (NOx) and particulates 80-90%, while reducing diesel fuel consumption 50-80%, when compared to conventional yard switchers in the 1,000 to 2,000 horsepower range.

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

Contacts:

Nigel Horsley, Director of Communications, RailPower Technologies Corp. 604 904-0085 ext 215

Simon Clarke, Executive Vice President, RailPower Technologies Corp., 604 904-0085 ext.206

Jay Hussey, Investor Relations, The Equicom Group Inc., 416 815-0700 ext. 225