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TSX Symbol: P

RAILPOWER[®] HYBRID LOCOMOTIVE FOR ANOTHER CLASS 1 RAILROAD IN CALIFORNIA

VANCOUVER, British Columbia, May 28, 2004 – RailPower Technologies Corp. (TSX : P), the world leader in hybrid locomotives, announced today an 'Agreement in Principle' for a Green Goat[®] hybrid locomotive to be leased for a five-year term to a Class 1 railroad in San Joaquin Valley, California. The Green Goat[®] will initially be assigned to local and switching service in the Fresno area.

The San Joaquin Valley is considered to have one of the most severe air quality problems in the U.S. NOx and particulate emissions from heavy-duty diesel engines in trucks, locomotives, and farm equipment, are major contributors to the Valley's poor air quality.

This locomotive is being funded by California's NOx and PM Emission Reduction Credit Program, administered through the San Joaquin Valley Air Pollution Control District (SJVAPCD) Heavy-Duty Engine Emission Reduction Incentive Program.

Todd DeYoung, SJVAPCD Senior Air Quality Planner, said "The San Joaquin Valley faces significant challenges with respect to air quality. As such, the District supports and encourages voluntary projects which will reduce NOx and PM emissions from diesel engines, including locomotives. These voluntary reductions, used in combination with reductions from other sources are a critical piece of the puzzle as we work towards attainment of State and Federal air quality standards."

RailPower[®] President and CEO, Jim Maier, said, "It is very exciting that a Green Goat has been qualified for us by California's NOx and PM Emission Reduction Credit Program for use by another Class 1 railroad. The ability to provide flexibility to major railroads in the adoption of our technology, while securing emissions funding for our locomotives, provides a major opportunity for all concerned while ensuring our commitments to the emissions reduction program are met."

Maier said that 12 hybrid locomotives are now on order. "The emissions reduction programs in California and Texas are acting as a catalyst for the rapid early adoption of our hybrid technology.

"The San Joaquin Valley is an area of a great beauty, but it's also one of the most polluted parts of the U.S. due largely to the long, warm summers and surrounding mountains that tend to trap the smog. The Green Goat yard switcher will not only do its job in contributing to reducing emissions, it will also be a very quiet solution."

RailPower[®] (TSX-V: P), (www.railpower.com) a leader in specialized energy technology systems for the transportation and power generation industries, is headquartered in Vancouver, BC. Its hybrid locomotives cut smog-precursor oxides of nitrogen (NOx) and particulates 80-90% and diesel fuel use and greenhouse gases 50-80% when compared to conventional yard locomotives in the 1,000 – 2,000 horsepower range.

They feature small diesel gensets, typically in the 100 – 285 horsepower range, and large banks of recyclable lead acid batteries.

CONTACTS:

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

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

Todd DeYoung, SJVAPCD Senior Air Quality Planner, 559-230-5800

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