



FOR IMMEDIATE RELEASE

TSX Symbol: P

RAILPOWER TECHNOLOGIES TO RAISE \$20 MILLION UNDER PUBLIC OFFERING OF COMMON SHARES

***NOT FOR DISTRIBUTION TO UNITED STATES OF AMERICA WIRE SERVICES OR
DISSEMINATION IN THE UNITED STATES OF AMERICA.***

VANCOUVER, British Columbia, June 16, 2004 – RailPower Technologies Corp. (TSX: P) announced today that it has entered into an underwriting agreement with National Bank Financial Inc., as lead manager, and Paradigm Capital Inc., as co-manager, for its previously announced public offering.

A final short form prospectus will be filed with securities regulatory authorities in all of the provinces and territories of Canada for the offering, to qualify the issuance of 6,250,000 common shares of the company at a price of CDN\$3.20 per share for gross proceeds of CDN \$20,000,000.

The offering is expected to close on June 24, 2004, subject to the conditions of the underwriting agreement. The Company has also granted the underwriters an option, exercisable for a period of 30 days from the closing date, to purchase up to an additional 937,500 common shares on the same terms as the offering to cover over-allotments, if any. The Toronto Stock Exchange has conditionally approved the listing of the common shares to be issued under the offering, subject to the company fulfilling certain requirements of the exchange.

The common shares have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act") and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful.

About RailPower Technologies Corp.

RailPower Technologies Corp. (www.railpower.com), a leader in specialized energy technology systems for transportation and power generation, 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.

For further information, contact:

Nigel Horsley, Director, Communications, RailPower, 604-904-005, ext 215
Simon Clarke, Executive Vice President, RailPower, 604-904-0085, ext 206
Jay Hussey, Vice President, The Equicom Group, 416-815-0700, ext 225