



TSX Symbol: P

RAILPOWER ANNOUNCES NATIONAL BANK FINANCIAL EXERCISES UNDERWRITER OPTION TO ACQUIRE ADDITIONAL 2 MILLION SHARES

VANCOUVER, British Columbia, December 15, 2004 – RailPower Technologies Corp (TSX: P) announced today that, under the terms of its previously announced bought deal financing of December 2, 2004, National Bank Financial ('NBF') and Paradigm Capital Inc. have exercised the option to acquire an additional 2,000,000 shares at a price of \$5.20, bringing the total gross proceeds of the offering to \$41,600,000.

The offering is scheduled to close on or about December 21, 2004.

The common shares 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 or to, or for the account of benefit of, U.S. persons 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 the securities in any state in which such offer, solicitation or sale would be unlawful.

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