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RAILPOWER LICENSES MAJOR US TUG DESIGN FIRM TO INTRODUCE HYBRID TECHNOLOGY INTO PORTS

VANCOUVER, British Columbia and MILFORD, Massachusetts, September 6, 2005 – RailPower Technologies Corp. ('TSX: P') and Ocean Tug & Barge Engineering Corp. ('OTB') announced today a supply and licensing agreement whereby RailPower will license its technologies to OTB for marine applications and supply, through OTB, its hybrid power systems to tug and barge operating companies, tug and towboat builders and shipyards involved in the construction of a wide range of workboats.

RailPower will supply hybrid and multi-engine systems in kit form and OTB will identify customers looking to retrofit or build new vessels who are interested in the economic and environmental benefits of RailPower's hybrid systems.

OTB President, Bob Hill, said, "We have identified a significant market niche for RailPower's hybrid technology. The operational benefits of reduced fuel consumption and maintenance costs of RailPower's core technology, we believe, will be replicated in marine operations."

"A tug is very much a water-borne switcher with similar work profiles that can greatly benefit from RailPower's hybrid technology. Fuel and maintenance savings are, of course, a major incentive for vessel operators where high fuel usage is standard; however, increasingly port operators are looking for ways to substantially reduce emissions from marine activities.

"In addition, an assortment of workboat types, from river switchboats, to research vessels, to small passenger vessels, can benefit greatly from this type of drive system. The retrofit possibilities can also be attractive to owners, allowing them to both save fuel and meet Tier II and III emissions requirements on existing vessels.

"This all results in it being a very opportune time for the technology," said Hill.

Jim Maier, RailPower President and CEO, said, "This is a natural extension of the use of our core technology as it will apply readily into tugs and towboats. It will not detract from our core locomotive focus. We will supply hybrid and multi engine kits for OTB to integrate into their designs.

"This relationship opens up another great potential market for hybrid technology while enabling us to concentrate on our core business," concluded Maier.

RailPower Technologies' core business is the design and manufacture of its Green Goat[®] Series hybrid locomotives and its new RP20 road and branchline switchers. The locomotives feature substantial reductions in fuel usage, emissions and maintenance costs. The company's main engineering office is in Erie, Pennsylvania.

Ocean Tug & Barge Engineering, headquartered in Milford, Massachusetts, has 25 years of experience in the design of ocean and coastal articulated tug and barge units and is considered a world leader. OTB is engaged in all phases of new vessel design and refit, including repowering, service life extension, and mechanical upgrades to existing vessels. .

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