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## UNION PACIFIC RAILROAD TO BUY 98 RAILPOWER ROAD SWITCHER LOCOMOTIVES FOR TEXAS.

**VANCOUVER, British Columbia, October 13, 2005** – RailPower Technologies Corp. (TSX: P) announced today that Union Pacific Railroad ('UP') (NYSE: UNP) is to apply the US\$81 million it was awarded recently by the Texas Emissions Reduction Plan ('TERP') towards the purchase of 98 RailPower road switcher locomotives.

UP has signed a contract with RailPower for 80 triple-genset and 18 twin-genset RP Series road switchers.

"Our new low-emission yard and road locomotives are the next chapter in Union Pacific's voluntary efforts to reduce emissions," said Bob Grimaila, Union Pacific's vice president-environment and safety. "We have worked hard to build the most environmentally friendly locomotive fleet in North America, and we are committed to preserving our environment by reducing pollution."

RailPower President and CEO, Jim Maier, said, "This order marks a major step forward for RailPower and our technology. It puts our order book at approximately 175, fills our production schedule through 2006 and part way into 2007, and gets our new road switcher product off to an excellent start in what we believe will be a key railroad market for RailPower.

"The bid process for this order was highly competitive and we are delighted our technology has been selected by UP. We have delivered a number of yard locomotives to UP in recent times and this order for our road switcher locomotives strengthens our relationship further. UP was the first major railroad to demonstrate our Green Goat locomotive and we thank them for ongoing support over the past three years.

"RailPower has now developed a full range of low horsepower locomotives and will be able to focus on long production runs at our main production plants where we accelerated investment in recent months in terms of extra personnel, equipment and designs for a cost-cutting common architecture for the entire product range," said Maier.

"The cutting in of these latest designs for our existing yard locomotives and for our pre-production road switcher locomotives has slowed production during this current quarter and has been a major factor in increasing costs in both this and the previous quarter. However, as we move forward we believe that these design and component changes combined with the focusing of our production primarily at Alstom in Calgary and Super Steel in Schenectady, and the introduction of our new Road Switcher product, will position us to be a major player in the low horsepower rail markets worldwide.

"Our products will have high commonality of components such as cabs, engines, batteries, compressors and power systems that will help keep our products as price competitive as possible and maximize production efficiencies. These factors, combined with the size of this order, will allow us to drive towards our target margins," said Maier.

"The RP20 Series was specifically designed to reduce high fuel usage in road and branchline switching operations where locomotives use up to three times the amount consumed by yard switchers. We estimate the new RailPower road switchers will provide fuel savings of 20% to 40% with reductions in NOx and particulates of about 80%.

"As these locomotives have the ability to perform both yard and branchline operations, we believe that our Road Switchers will become our key product for the major railroads with our yard locomotives primarily being focused on industrial and specialty applications and railroad yard operations in sensitive areas or where there is high fuel usage.

"The move into road switcher and branchline is a natural evolution of our product range and opens up this large railroad market. As we have expanded our product range and technologies to cover all low horsepower applications, we have continued patenting our hybrid and multi-engine designs. Maintaining and evolving a strong patent portfolio remains a key element of our business strategy," concluded Maier.

The Texas Commission on Environmental Quality (TCEQ) administers the TERP grants and is the environmental agency for the state. The TCEQ has approximately 3,000 employees, 16 regional offices, and a US\$463.9 million annual appropriation budget for the 2005 fiscal year. Most of the budget is funded by program fees (\$392.2 million or 84 percent). Federal funds provide \$40.3 million, or 9 percent; state general revenue, including earned federal funds, provides \$26.4 million, or 6 percent; and other sources provide the remaining \$5 million, or 1 percent.

Union Pacific Railroad, owned by Union Pacific Corporation, is the largest railroad in North America, covering 23 states across the western two-thirds of the United States. It is also a leading carrier of low-sulfur coal used in electrical power generation and has broad coverage of the large chemical-producing areas along the Gulf Coast. It is the only railroad to serve all six major gateways to Mexico.

RailPower (TSX: P), ([www.railpower.com](http://www.railpower.com)) a leader in specialized energy technology systems for the transportation and power generation industries, is headquartered in North Vancouver, BC. Its US office is in Erie, Pennsylvania.

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