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TSX Symbol: P

RAILPOWER ANNOUNCES EQUIPMENT INSPECTON

VANCOUVER, British Columbia, Canada, January 20, 2006 – Railpower has determined that a number of the company’s hybrid locomotives (model GG20B) may have been delivered with defective components related to the battery system.

Railpower President and CEO, José Mathieu said, “In the interest of safety and our commitment to performance and customer satisfaction, we have urged our customers to remove the affected units from service until an examination of the locomotives can be carried out and the replacement of any defective parts can be accomplished. This work is expected to take a few days per unit for Railpower to perform and the cost is not anticipated to be significant.

“This is no different than a recall notice by any automobile manufacturer and it is not related to our design or our other products in any way. We have deployed trained technicians to quickly assess and correct the situation and we will have the fleet back in service as soon as possible.”

Railpower (TSX:P), (www.railpower.com) a leader in specialized energy technology systems for the transportation and power generation industries, is headquartered in North Vancouver, B.C. Its US engineering office is in Erie, Pennsylvania.

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