



FOR IMMEDIATE RELEASE

TSX SYMBOL: P

**RAILPOWER PROVIDES UPDATE ON
GREEN GOAT® FLEET OF LOCOMOTIVES**
Solutions to put the locomotives back in service defined

MONTREAL, Quebec, July 18, 2007 – Railpower Technologies Corp. (TSX: P) today announced partial results of an ongoing analysis related to the recall in June of 65 units of its Green Goat series of yard switcher locomotives (Generation I, II and III models and the Green Kids), including the six demonstrators belonging to Railpower.

The company has estimated the overall cost of refitting 25 locomotives belonging to its third generation of Green Goats at approximately \$2 million. The solutions involve upgrades to monitoring software and mechanical improvements. Work will start in August. The company is discussing target dates with its customers for these units to be back in operation.

The technical analysis on the 40 remaining locomotives, belonging to the Green Goat Generation I and II and Green Kids series, has not yet been completed. However, it has been determined that the conversion of all these units into a more recent model is the only valid option. The new design will take more time to complete. Preliminary estimates show that the total cost of such a retrofit is likely to range between \$10 and \$13 million.

The Company is actively seeking additional financing to ensure there are adequate funds to convert the Green Goats and to continue the sale of its multi-genset locomotives – its main product line – and the ongoing development of its hybrid gantry cranes to be utilized at dock facilities around the world.

“It is encouraging that the cost involved in refitting the Generation III model of our Green Goat fleet is lower than expected. We are working hard to complete our analysis of the Generation I and II models. We are committed to supporting our products and our goal is to ensure that our customers can resume normal operations as soon as possible,” said José Mathieu, president and CEO of Railpower.

The Green Goat is Railpower’s initial product line. The company’s new product, the multi-genset locomotives, was unaffected by this recall. Railpower’s fleet of multi-genset locomotives, introduced in 2006, consists of 96 units delivered and

another 12 units under order. The market potential for the Road Switcher locomotive is estimated at 6,000 units for North America alone.

About Railpower

Railpower (TSX: P), (www.railpower.com), a leader in specialized energy technology systems for the transportation industry, is engaged in the development, construction, marketing and sales of specialized, patented, environmentally friendly technology systems for the transportation and related industries. Railpower's technologies significantly reduce fuel usage, operating and maintenance costs, and emissions. While Railpower's origins are in the transportation industry, its technologies have broad potential and applications in other markets and industries. Railpower is headquartered in Montreal, Quebec. Its U.S. office is located in Erie, Pennsylvania.

– 30 –

Caution regarding forward-looking statements

Certain statements contained in this release contain forward-looking statements. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” and similar expressions may be used to identify forward-looking statements. Those statements reflect our current views with respect to future events or conditions, including prospective results of operations, financial position, predictions of future actions, plans or strategies. Certain material factors and assumptions were applied in drawing our conclusions and making those forward looking statements. By their nature, those statements reflect management's current views, beliefs and assumptions and are subject to certain risks and uncertainties, known and unknown, including, without limitation, product development or manufacturing delays, changing environmental regulations, the ability to attract and retain business partners, the acceptance of our existing and new products, future levels of government funding, the need to obtain and maintain proprietary rights over our technology, competition from other technologies, the ability to access the capital required for research, product development, operations and marketing, the need to generate positive cash flow in the foreseeable future, changes in energy prices and currency levels. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by these forward-looking statements. Should one or more of these risks or uncertainties materialize, or should the assumptions underlying our projections or forward-looking statements prove incorrect, our actual results may vary materially from those described in this report as intended, planned, anticipated, believed, estimated, or expected. We do not intend and do not assume any obligation to update these forward-looking statements whether as a result of new information, plans, events or otherwise.

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