



**News release
For immediate distribution**

**RAILPOWER TECHNOLOGIES CORP. ANNOUNCES CLOSING OF THE \$35
MILLION PRIVATE PLACEMENT WITH ONTARIO TEACHERS PENSION
PLAN BOARD (OTPP)**

Brossard, QC, January 4, 2008– Railpower Technologies Corp. (TSX: P) (the “Corporation”) is pleased to announce that it has closed its previously announced \$35 Million private placement with OTPP.

The private placement consists of the issuance of a convertible debenture which has a maturity date of five years from its date of issuance and has an interest rate of 5% per annum, payable semi-annually in either cash or common shares, at the discretion of Railpower. The initial principal amount of the debenture is convertible, at the election of the holder, in whole or in part, into either common shares or a new class of convertible restricted voting shares created by the Corporation, or any combination thereof, at a conversion ratio of \$0.30 per share, representing up to 116,666,667 shares. The new class of convertible restricted voting shares is convertible into common shares, at the option of the holder, on a one-for-one, share for share basis (subject to customary adjustments, including for subdivision or consolidation).

“With this investment, we believe we now have the necessary base to consolidate our leadership in the locomotive market in North America, pursue our research and development efforts and expand our marketing activities in other geographic areas”, said Mr. José Mathieu, President and CEO of Railpower Technologies Corp. “We appreciate the confidence in our Corporation’s potential that OTPP demonstrated by making this investment as well as our shareholders’ support who voted massively in favour of the placement.”

About Railpower

Railpower Technologies (TSX: P) develops, markets, produces and sells specialized, patented, environment-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 Brossard, Quebec. Its U.S. office is located in Erie, Pennsylvania. (www.railpower.com)

About Ontario Teachers' Pension Plan

With \$106 billion in net assets as of December 31, 2006, the Ontario Teachers' Pension Plan is the largest single-profession pension plan in Canada. An independent organization, it invests the pension fund's assets and administers the pensions of 271,000 active and retired teachers in Ontario. At year end, approximately 40 percent of the fund was invested in public equities. As a long-term investor in Canadian stocks, the Ontario Teachers' Pension Plan's public equities program features a Relationship Investing portfolio that includes large-scale strategic investments in public companies.

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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