



**News release  
For immediate distribution**

**TSX symbol: P**

**RPRX 5400 (RP20BD) SUCCESSFUL DEMONSTRATIONS TO CALIFORNIA  
SHORTLINES PROVE RAILPOWER MULTI-GENSETS ARE INDUSTRY TOP  
PERFORMERS**

Brossard, Quebec, July 2, 2008 – Railpower Technologies Corp. announces the successful completion of a series of demonstrations of the RPRX 5400 (RP20BD) to various California Shortline Railroads. For Railpower, the demonstrations represented the opportunity to showcase the merits of the RP20BD design: when compared to a conventional GP38 locomotive, advanced adhesion in certain operational conditions is increased by approximately 54 percent, fuel consumption is reduced up to 45 percent, and reductions of NOx and particulate matter emissions are 80 and 90 percent, respectively.

Commencing in January, the demonstrations were conducted at Modesto & Empire Traction Company (M&ET), Richmond Pacific Railroad (RPRC), Central California Traction Company (CCT), San Joaquin Valley Railroad (SJVR), and California Northern Railroad. Due to their rapidly aging fleets and smaller operating budgets, these shortlines can significantly impact their bottom lines by choosing Eco-Motive's most well-known product, the RP20BD. With a 3-to-2 replacement ratio, the RP20BD units can perform almost twice the work of a conventional locomotive, depending on application and horsepower requirements, all-the-while reducing fuel consumption by up to 45%.

"It was a pleasure testing Railpower's RPRX 5400 on the M&ET. We ran the locomotive twenty-four hours a day for over two weeks and never experienced any mechanical problems," said Ken Beard, Vice President of M&ET. "The RPRX locomotive, with its excellent tractive effort, easily performed the work of three of our GE 600 horsepower locomotives. We saw an average fuel savings of over 40% when compared to our GE locomotives. The fact that the RPRX 5400 meets our area's current and future emission standards further validates our desire to place GenSet locomotive power to work for our railroad."

“The locomotive was tested on the Central California Traction Company (CCT) at the Port of Stockton for seven working days. CCT experienced a 47% fuel savings at Port Stockton when the RPRX 5400 was compared to the operation of two SW1500 locomotives. The locomotive was able to handle 4000 tons up a 2% grade, by itself,” said Dave Buccolo, General Manager of the Central California Traction Company. “On the CCT mainline, the RPRX 5400 replaced a GP18 for six days, and the fuel savings was 56% when compared with the GP18 operating the same number of hours.”

"The locomotive was tested on our railroad for two weeks. In addition to the fuel savings, our Train Crews were impressed by the sight distance from inside the cab during switching operations, and by the locomotive's ability to supply power," said Randy Perry, General Manager of SJVR. "During the stay on our property, the locomotive performed daily, and experienced zero mechanical problems."

“Railpower is confident that as more-and-more potential customers are exposed to our products, we will quickly become the industry name representing performance, cost savings, and eco-friendliness. In addition to the RPRX 5400, I am very proud of the entire Eco-Motive portfolio Railpower is able to offer to our customers today,” stated Mitch Gillispie, VP of North American Sales and Marketing at Railpower.

### **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](http://www.railpower.com))

### **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, and 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, the ability to secure new orders, the ability to retain our employees, product development or manufacturing delays, the ability of our current manufacturing supplier to meet our production demands in terms of quantity, quality and costs, our ability to reach a satisfactory agreement with another supplier if necessary or to build, rent or buy a manufacturing facility, 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 or new competitors, 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, potential legal liability related to the recall of our Green Goat® locomotives, 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. Unless otherwise required by law, we do not intend or 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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