

News release
For immediate distribution

TSX Symbol: P

RAILPOWER TECHNOLOGIES POSTPONES COMPLETION OF THE NEW MANUFACTURING FACILITY

Brossard – October 6, 2008 – Railpower Technologies Corp. (TSX: P), today reported that it will postpone the completion of the new assembly plant in Saint-Jean-sur-Richelieu, Quebec, which was initially planned for completion in the first quarter of 2009. The Company started the construction of the facility in June of 2008, and does not expect to restart it until new significant orders are secured.

“The measure aims at preserving cash due to slower sales than anticipated. Certain expected large orders have been delayed this year by customers due to the economic slowdown and other factors related to delayed governmental subsidies in the United States” said Mr. Mathieu, President and CEO of Railpower. “To our knowledge, no significant orders have been awarded by the large Class I Railways to any of the low horsepower locomotives manufacturers in North America, during the year” added Mr. Mathieu.

The Company has also decided to put in place a cost reduction plan which includes, among other things, the elimination of certain employment positions in order to lower its costs and continue operations to meet current and future customers’ requirements.

About Railpower

Railpower Technologies (TSX: P) develops, markets, produces and sells specialized, patented, environment-friendly locomotives and power plants 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)

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 or new financing, our ability to comply with the covenants and conditions contained in our outstanding convertible debentures with Teachers,, the ability to retain our employees, product development or manufacturing delays, the ability of our current manufacturing suppliers 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, the ability to restart the construction of our manufacturing facility and if restarted, to construct our manufacturing facility on time and within the forecasted budget, 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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