



**News release
For immediate distribution**

**RAILPOWER ANNOUNCES SHAREHOLDER APPROVAL
OF \$20 MILLION INVESTMENT BY
ONTARIO TEACHERS' PENSION PLAN TO FINANCE PLANT
CONSTRUCTION**

Brossard, June 26, 2008 – Railpower Technologies Corp. (TSX: P) today announced that its shareholders voted in favour of an investment of \$20 million by Ontario Teachers' Pension Plan (Teachers) to finance, among other things, construction of a manufacturing facility in Saint-Jean-sur-Richelieu. Shareholders approved all required resolutions at the annual general and special meeting held earlier today in Toronto with 99.0 per cent in favour of these resolutions.

"The board of directors was unanimous that this private placement was in the best interests of Railpower and recommended that shareholders approve the investment. I am happy that shareholders voted overwhelmingly in favour of this investment," said Norman Gish, Chairman of Railpower adding that "owning a plant is an important step for Railpower to effectively meet and serve its customers' needs".

"We appreciate Teachers' and our shareholders' support. Thanks to this investment, Railpower is one step closer to owning a dedicated, world class manufacturing facility capable of building the world's leading high efficiency locomotives. It is expected to significantly improve our manufacturing efficiencies and provide Railpower with the ability to rapidly expand its current production and thus, support the growth profile we are preparing for" said Mr. Mathieu, President and CEO of Railpower.

Teachers' private placement consists of the issuance of a secured convertible debenture on terms similar to its last investment. The debenture will mature on January 4th, 2013, and will bear interest at a 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 will be convertible, at the election of the holder, in whole or in part, into either common shares or restricted voting shares, or any combination thereof, at a conversion ratio of \$0.40 per share, representing up to 50,000,000 shares. This debenture will be transferable two years after its issuance.

At today's meeting, the shareholders also approved certain amendments to the initial debenture of \$35 Million dollars issued on January 4th 2008, in order to make it secured and transferable after two years from the issuance of the \$20 million debenture. The closing, which is subject to customary conditions, is expected to occur in the following days.

The shareholders also approved the election of all proposed directors and the renewal of the Corporation's share compensation plan.

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)

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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