



Magplane Technology, Inc.

TRANSPORTATION FOR THE 21ST CENTURY

Press Release

Tuesday, October 24th, 2006

Magplane Withdraws Financing Agreement with ShangShan/Timsho.

Magplane Technology, Inc. (MTI) has withdrawn the financing agreement with ShangShan Investment, Beijing and its investment partner Timsho Investments, Inc. after SSIB and Timsho failed to meet their respective obligations under the agreement.

Magplane is in active discussion with several more conventional sources of financing inside and outside China to fund the final development stage and initial commercialization in China. Maglev interest remains strong in China, and Magplane continues to offer the best opportunity to deploy maglev transportation technology at costs comparable to high-speed rail.

On October 21, 2006 the Chinese Ministry of Railways, Liu Zhijun, announced that under the railway development plan approved by the Chinese government, every year 4,000 kilometers of new tracks will be laid, 3,000 kilometers of existing tracks electrified, and more fast passenger trains, including the maglev trains and large capacity freight trains introduced. To meet the increasing demand for railway transportation, railway planners have called for the building of high-speed dedicated passenger lines and the shifting of all freight transportation to the existing tracks.

Also on October 21, 2006, the deputy director of the Shanghai Metro Construction Headquarters, Ying Minghong, announced that new technologies would provide the key for subway construction and operation in the next five years, and would include automatically operated metro trains and low-speed maglev technology.

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