



Magplane Technology, Inc.

TRANSPORTATION FOR THE 21ST CENTURY

Press Release January 3, 2007

Statement from the President and Chairman of the Board Review of 2006 and 2007 Forward Looking Statement

Over the past year, global interest in maglev has seen a strong revival and Magplane Technology, Inc. has taken important steps to strengthen its position with leaders in China who have made a commitment to deploy maglev transportation systems. Magplane became a public company early in 2006 and the total trading volume of more than 7 million shares has raised the profile of the company in the broker and investment bank community.

Discussions were held in 2006 with both Shangshan Investment and Timsho Investment in Beijing as potential large scale private investors. While the discussion with Shangshan is continuing, Magplane Technology withdrew from the agreements in October, 2006 because of the failure of either investor to meet the terms of the agreement.

In addition to continued interest in maglev passenger trains, there has been growing interest in China during 2006 in Magplane's pipeline transport system for coal. Magplane successfully demonstrated the pipeline system in 2001 at a phosphate mine in Florida. Discussions have been held with GuoHua, the investment company for ShenHua Coal Company, which has identified a large potential market to replace mining trucks that serve the surface mines and connect the mines with the rail heads. On the strength of those discussions, a large Chinese equipment manufacturer, Xiangtan Electric Manufacturing Group, based in Hunan Province, initiated discussions with Magplane.

Magplane Technology, Inc. has signed a preliminary agreement with Xiangtan Electric Manufacturing Group to develop the first pipeline transport system for coal in China. A 500m test line section will be built at the Xiangtan Electric factory site to test the viability of the technology manufactured in China. The successful development of this test line and proof of the economy of the pipeline approach will lead to a formal joint venture between Magplane and Xiangtan to enter the untapped pipeline development industry in China. The agreement is subject to Board of Director's approval early in 2007.

Xiangtan was formed in 1936 and was State owned until 2002 when they were privatized and subsequently become a public company in China. They have 9 fully operational divisions with 11,000 employees and are a leading manufacturer of large-scale AC and DC machines, urban light rail vehicles, transportation equipment for mines, wind powered generators, and electric impulse systems for naval vessels. More information about Xiangtan can be found on the web at www.xemw.com/en/

For the latest news and information please visit Magplane on the world-wide web at http://www.magplane.com/inves_news.asp

SOURCE:

Magplane Technology, Inc.

www.magplane.com