



Magplane Technology, Inc.

Transportation for the 21st Century

**Magplane Subsidiary to Merge with IM Mag Investment Management Co.
-Receives \$2.5 Million in Cash & a Portfolio of China Industrial Investments-**

BEDFORD, Mass., January 23, 2008: Magplane Technology, Inc. (OTC: MAGP) announced today that it has entered into a definitive agreement to merge its MagPipe pipeline subsidiary with IM Mag Investment Management Company (“IM-MAG”). IM-MAG is an investment company established and managed by Magplane's partner Beijing Farthest Technology Corporation to assemble a portfolio of transportation and energy holdings for merger with the MagPipe business.

IM-MAG will also contribute US\$2.5 million in cash to fund the MagPipe Joint Venture in Inner Mongolia. The first 30% of the cash contribution was paid in to the JV after execution of the agreement and the balance is due after the merger is completed. Upon completion, Magplane will hold 50% of the newly formed company Magplane Pipeline Technology, Limited (MPTL) headquartered in Hong Kong.

Magplane Technology President and Chairman of the Board Dr. D. Bruce Montgomery said, “This merger is a key milestone in creating a more diversified business for the global commercialization of MagPipe technology. IM-MAG has important interests in the transportation and energy industries in Inner Mongolia that will complement and benefit from deployment of MagPipe in the region. The merger includes sufficient cash to fund the Inner Mongolia JV which is moving ahead with the initial demonstration project.”

The merger is subject to regulatory approval of the merger in China and approval by Magplane shareholders. Magplane and IM-MAG fully support this merger and expect the necessary approvals to be granted.

Mr. Liu DeQiong, President of IM-MAG and of Beijing Farthest Technology Co., said, “We have been working with Magplane to create the Joint Venture Company. The immediate need for this technology is in Inner Mongolia but we believe it has global potential. The merged company will have diversified interests in mining transportation in China and will benefit from the global growth of MagPipe.”

About Magplane Technology, Inc.

Founded by a group of MIT engineers, Magplane Technology, Inc. (MTI) is the developer of the Magplane system, an innovative magnetic levitation (maglev) transportation system that offers significant advancements over other high-speed trains and light-rail transit systems. Magplanes can achieve speeds up to 500 km/hour for inter-city travel and nearly silent operation for urban mass transit systems. The Magplane system has also been adapted for use in a unique pipeline application that can reduce the cost and pollution from diesel trucks used in transporting material from mining operations.

For more information on the Company, visit <http://www.magplane.com>. For investor relations, please visit <http://www.otcf.com/magp>.

Statements regarding financial matters in this press release other than historical facts are "forward-looking statements" within the meaning of section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and as that term is defined in the Private Securities Litigation Reform Act of 1995. The company intends that such proclamations about the Company's future expectations, including future revenues and earnings, technology effectiveness and all other forward-looking statements

be subject to the safe harbors created thereby. Since these statements involve risks and uncertainties and are subject to change at any time, the Company's actual results may differ materially from expected results.

CONTACT:

Jason Mill
Magplane Technology, Inc.
jbmill@magplane.com

or

Rick McCaffrey, Investor Relations
OTC Financial Network
781-444-6100 x 625
rick@otcfn.com

SOURCE: Magplane Technology, Inc.