

Announcement

Magplane Technology, Inc. Signed Pre-Feasibility Study Agreements with China

On March 14, 2005, Magplane Technology, Inc. signed Agreements with the Institute of Comprehensive Technology, a special Authority of the National Development and Reform Commission , to jointly carry out pre-feasibility studies for two important routes in China. One is for a high speed connector along the Jing-Jin-Tang (Beijing-Tianjin-Tangshan) Corridor between the Beijing and Tianjin airports. The traffic flow in that corridor is anticipated to be 130 million people and 91 million tons cargo per year by 2020. The second route chosen for study is in the Suzhou-Wuxi-Changzhou region. That region is China's most developed area with high density population, high commuter rates and tremendous economic growth. It is expected that a third agreement will be signed in the near future for pre-feasibility studies in the rapidly developing GuangDong, Hong Kong and Macao region.

An Agreement was also signed on March 14th with the Institute of Industrial Development of the National Development and Reform Commission to jointly study the best way to industrialize Magplane in China.

The pre-feasibility studies, being jointly undertaken with China's premiere Transportation Study Institute will provide a solid foundation for continuing discussions with Local Governments and the Central Government to lead to the allocation of an initial line to Magplane Technology. The allocation would be made through a provisional order, contingent on safety licensing of the Magplane Demonstration line to be built in the region chosen for the initial line.

Magplane Technology expects to follow the same general path that was followed by the introduction of the German Transrapid maglev system in Shanghai in 2003. Pre-feasibility studies by the Institute of Comprehensive Transportation led to the allocation of a line, detailed line design, and construction.