



Magplane Technology, Inc.

TRANSPORTATION FOR THE 21ST CENTURY

Press Release

Tuesday, April 4, 2006

Magplane Secures US\$500 Million Investment in Beijing, China

Magplane Technology, Inc. (MTI) has signed an amended framework agreement with ShangShan Investment, Beijing Ltd. The agreement provides for a total of US\$500 million cash investment into Magplane China, Ltd. over the next 3 years. The proceeds will be used to build and grow the largest Chinese majority owned maglev operation in China. The large capital contribution to Magplane China will significantly enhance our position as a technology contributor by ensuring adequate funding of Magplane development in China, providing greater flexibility in Magplane China's business development strategy including the development of additional opportunities related to Magplane transit systems, and providing sufficient funding to develop manufacturing capabilities for a broad range of Magplane components.

ShangShan will own 75% of Magplane China, Ltd. and MTI will retain a 25% stake. The joint venture company will own the exclusive development, manufacturing, and marketing rights of Magplane magnetic levitation technology in China. MTI will remain the sole owner of the Magplane intellectual property and as part of the agreement will also receive US\$1.5 million per km in technology fees on future contracts.

MTI's 25% equity ownership contributions to Magplane China, Ltd. are the value of the intangible manufacturing technology rights.

The Magplane senior management team will complete the registration of the Magplane China, Ltd. joint venture in Qingdao, Shandong province, in the first week in April and will execute the formal contract with Shang Shan Investment, Beijing Ltd. within 30 days.

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