



# Magplane Technology, Inc.

TRANSPORTATION FOR THE 21<sup>ST</sup> CENTURY

Press Release

Monday, May 22, 2006

## **Magplane Executes Formal Agreement for US\$500M Investment into Magplane China, Ltd.**

Magplane Technology, Inc. (MTI) has formally executed the previously announced framework investment agreement for US\$500 million cash investment into Magplane China, Ltd. (MCL). The agreement has been expanded to include the acquisition of 40 million shares of MTI common stock.

The agreement provides for a total of US\$500 million cash investment into MCL over the next 3 years to fund the final testing and safety qualification phase in Qingdao, China and build production capacity for the initial commercial deployment. Under the amended agreement, the acquisition of MTI common stock will be executed at a price to be determined by an independent valuation. The parties have agreed to an independent valuation because the market for MTI shares is not sufficiently liquid to provide a reliable price on which to base the acquisition of a large block of shares.

MTI will immediately commission a third-party professional consulting firm to provide an independent valuation of the company based on the consultant's valuation models and expert assessment. The current share price of MTI common stock (Pink: MAGP) will not be a significant factor in the valuation.

For the latest news and information please visit Magplane on the world-wide web at [http://www.magplane.com/inves\\_news.asp](http://www.magplane.com/inves_news.asp)

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