



Magplane Technology, Inc.

TRANSPORTATION FOR THE 21ST CENTURY

FOR IMMEDIATE RELEASE:

Magplane Technology Issues Letter from the President and Chairman of the Board

BEDFORD, MA: January 03, 2008: Magplane Technology, Inc. (OTC: MAGP), a developer and marketer of magnetic levitation (maglev) technologies for transportation and mining industries, issued today a shareholder letter from President and Chairman of the Board Dr. D. Bruce Montgomery to discuss the Company's key developments and achievements during 2007.

Dear Valued Shareholders:

I am pleased to provide you with the following progress report on your Company. Over the past year, we captured a renewed interest in our pipeline transport technology ("MagPipe") from the global mining industry. Used as a replacement for trucks in transporting material from the mines to railheads, MagPipes can be easily constructed over difficult terrain, lower transportation costs, and reduce harmful emissions associated with using diesel fuel.

After initial discussions with private companies supplying equipment to the mining industry, Magplane became focused on bringing MagPipe technology to Inner Mongolia, where nearly one-fifth of China's coal is produced. Years of double-digit economic growth in China have pushed industrial and infrastructure capacity to its limits. To keep up with surging demand for resources, industries are modernizing and adopting new technology. Coal production is growing to satisfy demand for electricity but the lack of roads and rail lines to transport the coal represent a severe problem and congestion on national highways in China is a growing concern. Our MagPipe technology offered a solution that was quickly embraced by transportation officials and eventually the highest levels of government in Inner Mongolia.

In 2007, Magplane established a joint venture to design and manufacture the MagPipe system in Inner Mongolia that includes intellectual property payments of US\$8 million to Magplane. The primary partner in the joint venture is a private investment company established by the Inner Mongolian government in order to offer the highest level of support to the project. The JV has been classified as a "key project" of the region with Central Government approval resulting from a technology review conference held in Beijing to evaluate the MagPipe system. The JV received its registration and business license to operate in China in December 2007. As that process is now complete, we can move forward to establish operations in the Baotou Rare Earth High-Tech Industrial Development Zone. Construction of the MagPipe facilities and technology demonstration-engineering line are scheduled to begin in January 2008 and commercial deployment is expected to begin the following year.

Magplane also continues to believe in the benefits of its maglev passenger system ("maglev technology") and we fully intend to pursue commercialization if political and economic conditions evolve to support the advancement of mass transit systems. In a recent *Newsweek* article, Michael Bloomberg discussed China's growth and development of modern mass transit systems including Maglev technology and encouraged America to invest "*in the 21st-century infrastructure that we need—high-speed rail lines, bigger ports, more mass-transit systems*" and political leaders around the world support the adoption of green technology to reduce pollution. Magplane is contributing to this effort; the Magplane pipeline and passenger systems are designed to create new efficiencies in mass transportation of people and material.

Year 2007 set the foundation and strategic JV partnership in Inner Mongolia to bring MagPipe systems to China's coal industry. Commercial demonstration of the value of MagPipe is expected to take place during 2008. As we fulfill our Inner Mongolia JV agreement, Magplane is positioned to appeal to other government

and business leaders around the world. MagPipes are expertly timed to help growing economies, and those with outdated infrastructures, reduce air pollution, decrease their dependence on high-cost diesel fuel, and create long-term solutions to control infrastructure costs. Magplane looks forward to updating its shareholders and gaining new interest worldwide as we continue to commercialize our important technologies.

Thank you for your continued support and interest in Magplane as we continue to work toward increasing shareholder value.

Sincerely,

Dr. D. Bruce Montgomery
President and Chairman of the Board
Magplane Technology, Inc.

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 (310 miles/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. Most recently, Magplane signed agreements with Inner Mongolia initially worth \$80 Million to build commercial pipeline infrastructure for transporting the region's coal production.

For more information on the Company and the latest news visit Magplane on the World-Wide Web at <http://www.magplane.com>. For investor relations, please visit <http://www.otcfn.com/magp>.

CONTACT:

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

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