



Magplane Technology, Inc.

Transportation for the 21st Century

MAGPLANE TECHNOLOGY CEO ISSUES UPDATE TO SHAREHOLDERS

LITTLETON, MA: 16 MAY 2008 -- Magplane Technology, Inc. (Pink Sheets: MAGP) issued a letter to shareholders today from President and CEO Mr. G. Larry Roderick.

Dear Valued Shareholders:

Having just returned from China, I am pleased to report the development of our Joint Venture (JV) in Inner Mongolia is proceeding as planned. I met with the JV team in Baotou, Inner Mongolia (IM) and the key players supporting the build-out of the MagPipe facilities and demonstration line. We are now about half-way through our initial \$1.9 million design contract and the demonstrated capabilities of the JV and the local partners are already exceeding my expectations.

To meet customer requirements to begin construction of MagPipe commercial lines in 2009, an enhanced long-life component testing program has commenced and is proceeding in parallel with construction of the 1km demonstration. These accelerated tests will provide additional reliability data to enable the earliest possible commercial deployment. Based on completed designs from our Littleton, Massachusetts office, the JV team has vetted the manufacturing subcontractors in IM who will begin manufacturing of test stands and components within the next several weeks.

The range of operational activity in Baotou is increasing steadily; therefore, I'm also pleased to announce the appointment of Mr. Bing Yao to the position of Vice General Manager of the Joint Venture operations. Mr. Yao has considerable experience in mechanical engineering programs and coal mining equipment, outstanding technical and program management skills, and proven abilities to meet strategic business objectives.

To develop the building complex for testing and manufacturing, the JV has engaged the China Beijing Architectural Design and Research Institute and City Planning Institute to develop facilities on the JV's 32 acres in Baotou. The Baotou site will encompass the 1 km Demo line, corporate offices, initial manufacturing capability for 100 km/year of MagPipe production, and pre-planned ability to expand to 200km/year.

Based on detailed reviews of our program plan and assessment of the progress to date, Magplane's priorities for the next 12 months are to:

- Complete the design and demonstration of a commercial MagPipe system for coal transportation that is reliable and economically superior to truck transportation.
- Develop the JV facilities and enable sub-contractor manufacturing in Inner Mongolia to initially produce up to 100km/year of MagPipe.
- Launch the first commercial MagPipe project in Inner Mongolia.
- Complete the previously announced merger of the MagPipe business unit with IM-MAG.
- Enhance the liquidity and value of Magplane shares by becoming a fully reporting company.

In times of record-breaking oil prices, our 100% electric MagPipe technology addresses mounting pressure on world governments to reduce pollution, reduce dependence on oil, and improve

efficiencies in the mining industry. Our JV positions us to bring MagPipe into new geographic regions worldwide, including the U.S and Canada.

I look forward to keeping you apprised of our progress both in our near-term MagPipe projects and the longer-term applications of our maglev passenger technology. In the interim, please visit our new online photo gallery at <http://www.magplane.com/media.htm> and peruse <http://www.magplane.com> for additional information.

As always, thank you for your interest and support of Magplane Technology, Inc.

Sincerely,
G. Larry Roderick
Chief Executive Officer
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 for inter-city travel and nearly silent operation for urban mass transit systems. The Magplane system has 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> or contact:

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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.

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