



# Magplane Technology, Inc.

## Transportation for the 21<sup>st</sup> Century

### MAGPLANE TECHNOLOGY DEVELOPMENT UPDATE

**LITTLETON, MA: 12 AUGUST 2008** -- Magplane Technology, Inc. (Pink Sheets: MAGP) is pleased to issue a technology development update to shareholders and the financial community.

As the company continues commercial development the MagPipe system for coal transportation in Inner Mongolia, significant progress has been made towards completing a pipeline transport system that will be reliable and will reduce the cost of transportation over the lifespan of a typical mining operation by up to 40% over comparable truck transportation.

Larry Roderick, President & CEO of Magplane emphasizes that commercialization and reliability are the primary focus of the Magplane engineering team. Mr. Roderick said “The MagPipe system was demonstrated in Florida a number of years ago so we know we can effectively transport solid materials such as coal or phosphate with MagPipe. As with all technology development, the commercialization phase is a crucial step in developing a product that can be manufactured at required volumes and within cost targets. Our engineering teams in Littleton and Baotou have successfully completed the commercial design of key components.”

Magplane has completed the design of the major capsule and pipeline components to be made in China and the JV team has selected the most cost- effective, high- quality vendors in the region. By focusing on high-quality, local, manufacturers, cost has been reduced on some critical components by as much as 50%.

Component manufacturing and testing is currently being prepared and will be under way within 4 weeks. A wheel-wear test stand designed by MTI and First Machinery in Baotou to gather reliability data on moving components will be delivered this month to the 32 acre Baotou site. 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.

Now that MTI has delivered the designs for long lead-time components to be made in China, MTI will focus on internal development of the MagPipe control systems and oversight of the motor control and drive system for the demonstration line.

Magplane’s priorities through the second quarter of 2009 remain unchanged from the previous shareholder update issued in May:

- 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.

The development contract to design commercial-ready components and provide project oversight for the MagPipe coal transport system for the JV has generated significant revenue to Magplane in the first half of 2008. Management expects continued revenue generation from the design contract to sustain operations and complete the demonstration project through mid-2009 when construction of the first commercial lines will begin in Inner Mongolia.

### **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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