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February 7, 2014

Update from TractivePower

Tractive Power is extremely pleased to announce the successful completion of the second round of testing of its prototype TP56, a 3-Axle Switcher Locomotive. The test was carried out on February the 1st 2014 at TractivePower's Squamish manufacturing facilities. The TP56 pulled 7 railcars with the brakes applied, producing 50,000 lbs. of tractive effort. This test was conducted using a starter with 1200 amps of power. The next test is scheduled to use a starter that produces 1300 amps, and Tractive Power anticipates that this will result in greater tractive effort.

TractivePower is also pleased to report that the locomotive ride was good, engine noise was acceptable, and there was no wheel slippage or tipping when the TP56 was pulling hard. Remaining work needed for completion of the TP56 consists mainly of further balancing, final wiring and work on the cab, the final coat of paint, and installation of windows.

If you would like to see an early test of the TP56 please see this link.

http://www.youtube.com/watch?v=XyE_8g3-rok

Tractive Power has built a strong team with significant rail and related experience, both operationally, and at the business level. Its founder, Frank Donnelly, is a well-respected innovator in the rail industry with numerous rail related patents. Amongst his many accomplishments, Frank was the founder of RailPower, which introduced hybrid technology into the industry.

The TP56 is the Company's initial product and its core focus. However, the Company also has additional intellectual property, and it will look to develop other locomotive products based on this intellectual property at the appropriate stage of its development.

Tractive Power is in the process of completing an initial financing to raise up to \$500,000. Members of management will be participating in the financing, and the Company has also received a lead order in this financing.

If you would like further information about Tractive Power, or if you would like to receive a term sheet for the financing, please contact Marty Popoff (778) 838 3221, Simon Clarke (604) 551 9665, or Peter Ballachey (604) 240 7928.