

Media Release

For immediate release December 11, 2007 (10 a.m.)

VIA Rail Canada and CAD Railway Industries Ltd. Sign \$100 Million, 5-year Contract to Rebuild 53 F-40 Locomotives - Contract impacts 70% of VIA's locomotive fleet, strengthens reliability and further improves environmental performance -

Montreal – VIA Rail Canada announced today that it has entered into a 5-year contract valued at over \$100 million with CAD Railway Industries Ltd. (CAD) to rebuild its fleet of F-40 locomotives. The program involves stripping locomotives down to their shells and rebuilding them using the latest technology.

This project is a key component of the recently announced Government of Canada capital investment plan to improve the sustainability and reliability of Canada's passenger rail system.

Beginning this month, car bodies will be repaired while the components of each system will be thoroughly inspected, and new systems will be installed to meet today's environmental as well as safety standards. In fact, VIA expects to see a reduction of greenhouse gas (GHG) emissions of up to 12% once the work has been completed, and this in addition to a GHG reduction of 13% since 1990.

This program is one of the first to be announced following a significant capital investment from the federal government. "We are extremely pleased to announce that CAD Railway Industries Ltd. is our first partner following the Government's investment," explained Paul Côté, President and CEO of VIA Rail Canada. "By rebuilding 70% of our fleet of locomotives, CAD will help us reach our goals of increasing reliability while decreasing maintenance costs. It is one of the many steps we are undertaking to modernize our fleet while ensuring all locomotives are in compliance with safety, environmental and other regulations, all as a means to providing our customers with the best travel experience."

CAD will begin the work this month. The first rebuilt locomotives should be ready by March 2009 and the project should be complete by 2012. "We are excited to work on a key part of Canada's passenger rail infrastructure for VIA Rail," explained Fausto Levy, President of CAD Railway Industries Ltd. "The value CAD brings to this project is not only measurable in reduced maintenance costs and improved reliability of the locomotive: our work will also have a local impact by creating more than 90 new jobs in the area."

The Honourable Lawrence Cannon, Minister of Transport, Infrastructure and Communities, expressed his satisfaction with the announcement: "The Government is pleased to see that the investment we have made in VIA Rail Canada is already being put to excellent use. We look forward to the rollout of the rebuilt F-40 fleet along with other improvements to Canada's passenger rail service over the next five years. The improved reliability, safety, and frequency of these locomotives will benefit all Canadians."

“North American railroads and commuter systems today are making significant capital investments in the remanufacturing of their locomotive, freight car and passenger railcar fleets to meet volume demands, fuel efficiency targets and new environmental and emission standards. We are delighted that Global Railway’s subsidiary, CAD Railway Industries Ltd., has been selected by VIA as the locomotive remanufacturer for one of the largest passenger rail infrastructure investment programs in recent Canadian history,” said Terry McManaman, Chairman, President and CEO, Global Railway Industries Ltd. “Once the F-40 locomotive renewal program is complete, VIA Rail will have one of the most reliable and fuel efficient fleets of diesel locomotives of any passenger rail operator in North America,” said McManaman.

“CAD Railway Industries Ltd. will itself embark on an infrastructure expansion program as a result of being awarded the F-40 remanufacturing contract. This expansion will position CAD as the largest re-manufacturer of locomotives in Canada and as a major competitor in locomotive remanufacturing in North America,” said Fausto Levy, President of CAD. “We expect that approximately 450 person-years of additional employment will be created at CAD’s facility in Lachine, Québec, over the total term of the VIA contract”.

VIA is currently completing plans for a number of other projects that will improve its equipment, stations and infrastructure across its Canada-wide network.

About VIA

As Canada’s national passenger rail service, VIA Rail Canada’s mandate is to provide efficient, environmentally sustainable and cost effective passenger transportation services, both in Canada’s business corridor and in remote and rural regions of the country. VIA serves more than 450 communities with a network of inter-city, transcontinental and regional trains. Increasingly travellers are turning to train travel as a hassle-free and cost-efficient alternative to congested roads and airports as well as a more environmentally responsible way to travel.

About CAD Railway Industries Ltd.

Based in Lachine (Montreal), Quebec, CAD Railway Industries Ltd. is an international re-manufacturer of locomotives, rail cars, power generation units and components. CAD Railway is a wholly-owned subsidiary of Global Railway Industries Ltd. (TSX:GBI) an integrated rail product and service provider for the locomotive, railcar and track & signal railway markets in North America. Global Railway Industries shares are listed for trading on the Toronto Stock Exchange (TSX) under the symbol "GBI".

-30-