



NEWS RELEASE

QUANTUM ENGINEERING AWARDED COLLISION AVOIDANCE SYSTEM CONTRACT

Orange Park, Florida, August 21, 2003 – Quantum Engineering, Inc., has been awarded a contract to provide the Alaska Railroad Corporation a Collision Avoidance System using Quantum’s Train Sentinel[®] System. The system integrates the Quantum Train Sentinel System, the Engesis ACT Dispatch system, and the Meteor Communications Corporation radio communications network system.

“Alaska Railroad will be the first North American Railroad to employ, in revenue service, Train Sentinel[®], our positive train control system that has been tested for over four years in North and South America. We anticipate having the system in place and fully operational in 2004” said Mark E. Kane, President of Quantum.

Work will begin immediately to complete the FRA’s Notice of Proposed Rulemaking, Product Safety Plan (PSP) documentation requirements, and to install the system on the Alaska Railroad. The contract for the installation of the Quantum Train Sentinel[®] is not a demonstration project. The system will be installed on all the Alaska Railroad locomotives that operate along the railroad’s route. “We are excited about the safety and efficiency gains available with the Collision Avoidance System,” said Matthew Glynn, ARRC’s Vice President, Chief Operating Officer. “We look forward to the improvements in both safety and train operations the Collision Avoidance System will deliver.”

The Collision Avoidance System prevents train-to-train collisions, enforces speed limits and provides protection for roadway workers and their equipment. Train Sentinel[®] is a complete microprocessor based train control system that can be used in dark and signaled territory. Train Sentinel[®] incorporates an Engesis (Vitoria, ES, Brazil) state-of-the-art PC based distributed computer aided dispatching (CAD) system that will allow train control and dispatching operations from Anchorage, Alaska. Train control information is routed between the locomotive and the dispatcher office through a Meteor Communications Corporation (Kent, WA) digital radio communications network and displayed to the crew. A moving map displays grade, curvature, wayside device location, and braking distance. The onboard computer, with location information provided by global positioning system satellites, alerts the crew to approaching restrictions and will stop the train if the crew fails to respond appropriately.

“Operations in two continents over various track and extreme environmental conditions have proven the capabilities of the Train Sentinel[®] system to perform flawlessly. We have demonstrated our equipment over several thousand hours of actual revenue service and have never had a rules violation, exceedance of a track warrant authority, allowed an excessive overspeed condition, or a violation of a work zone”, added Mark Kane. “This technology is ‘ready for prime time’, reliable and affordable as we have demonstrated to our railroad customers. I believe the Alaska Railroad is the first of many railroads that will use Train Sentinel[®] in everyday revenue service.”

The Alaska Railroad is one of the few remaining full-service railroads in North America. In 2002 the Railroad moved 7.8 million tons of fuel, coal, gravel and other freight while transporting 480,000 people on its renowned passenger trains. Last year the Railroad won numerous OnBoard Services awards, which recognize excellence in airline, cruise line, rail and terminal services, including "Best of the Best."

Quantum Engineering located in Orange Park, Florida, designs and manufactures electronic monitoring and control systems for the railroad industry. These systems include event recorders, engineer alertness devices, locomotive speed control technology and end of train telemetry.

For more information contact James (Jim) F. Brady, Director of Marketing at Quantum (904) 278-2500, jbrady@qei.biz or Patrick Flynn (907) 265-2695, flynnp@arcc.com