



KELSO
TECHNOLOGIES
INCORPORATED

NEWS RELEASE

TSXV:KLS

FOR IMMEDIATE RELEASE

KELSO TECHNOLOGIES CLOSSES PRIVATE PLACEMENT

MONDAY, SEPTEMBER 11, 2006 - VANCOUVER, BC, CANADA – Kelso Technologies (TSXV:KLS) today announced the second and final closing of its Private Placement (announced on May 31, 2006).

The Company raised a total of \$271,420 in two tranches, including \$57,060 from two insiders of the Company.

All subscribers paid a price of \$0.10 per unit, each unit being comprised of one common share plus one warrant. Each warrant is exercisable at a price of \$0.15 for a period of one year.

The securities issued in this second tranche are subject to hold periods in Canada expiring after December 17, 2006.

The proceeds of this Private Placement are being used for facilitating ongoing marketing and sales of Kelso's JS75 SRV Pressure Relief Valves to the rail industry, financing R&D for other Kelso JS SRV prototype valves and for general working capital.

For further information regarding Kelso Technologies, please visit Kelso's newly updated website at www.kelsotech.com or contact Investor Relations at 1.866.535.7685 (604.878.7600) ext. 4 or via email to info@kelsotech.com.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this Release.