



KELSO
TECHNOLOGIES
INCORPORATED

TSXV:KLS

NEWS RELEASE

FOR IMMEDIATE RELEASE

KELSO IDENTIFIES NEW BUSINESS AT INDUSTRY CONFERENCE - ORDER POTENTIAL COULD EXCEED \$1 MILLION FROM TWO DAY EVENT

MONDAY, OCTOBER 23, 2006 - VANCOUVER, BC, CANADA – Kelso Technologies Inc. (TSXV:KLS), developer of the unique JS75 SRV pressure relief valve, is pleased to report significant progress in implementing the Company's strategic manufacturing and marketing initiatives. This progress was achieved as a result of several meetings which took place at the recent Association of American Railroads (AAR) Tank Car Committee Meeting in Kansas City recently.

The two day AAR event brings together executives, regulatory policy makers and key decision makers in the North American rail industry. Kelso executives met with established customers and a variety of target clients during the conference and were able to further the Company's long term sales and marketing agenda. Among the items discussed are several opportunities that will greatly enhance the Company's stature in the rail transportation community. Among the opportunities addressed are the following:

1. An order to supply an existing chemical company customer with an additional 150 stainless steel JS75 SRV pressure relief valves equipped with sophisticated seal material during the coming year;
2. The potential to supply up to 450 stainless steel JS75 SRVs to a new customer in the chemical industry as it moves to convert from existing legacy valve technology in order to reduce the cost of its valve expenditures. Kelso has demonstrated its ability to provide a better performing product at a reduced entry cost that is also easier and less expensive to maintain;
3. An agreement in principle with a petroleum producer/shipper to begin an in-house service assessment of Kelso's pressure relief technology with a view to acquiring additional valves for future installation on its tank cars; and
4. Discussion and request from a potential new customer to supply an order of approximately 25 pressure relief valves for a new installation on tank cars.

At this point in Kelso's introduction of its revolutionary, patented safety relief valve product (the JS75) to the transportation industry, the Company undertakes to preserve its competitive position with existing and developing customers. As such, the Company routinely does not publish the names of these clients in news releases as a matter of corporate policy. The companies in question all produce revenues estimated to be in the range from \$1-billion to well in excess of \$10-billion annually.

Of particular interest to Kelso at the AAR Meeting was the concentration of presentations on methods and techniques industry utilizes to resolve problems inherent in, and presented by, the existing internal pressure relief technology. The rail industry is facing a critical number of issues which evolve from old and outdated technology that fails to meet the modern day needs of the current rolling tank car stock and its owners and lessors.

Kelso's innovative valve design means that many of these issues can now be substantially mitigated, if not completely eradicated. The net benefit result to customers is safer technology that delivers better performance, lower capital cost and dramatically reduced maintenance cost, all of which are very important issues for rail industry decision makers.

Brought together, the opportunities discussed during the trip could lead to initial orders that could result in excess of \$1-million in revenue to the Company within the next three to six quarters.

Additionally, Harley D. Sinclair has resigned his position as Corporate Secretary to the Company as such a position is no longer required under the British Columbia Companies Act. Mr. Sinclair is the Company's securities lawyer and will continue to act in this capacity and as a consultant to Kelso in matters other than just legal. Kelso thanks him for filling the Corporate Secretary position while that position was required under the old Companies Act.

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