



KELSO
TECHNOLOGIES
INCORPORATED

NEWS RELEASE

TSXV:KLS

FOR IMMEDIATE RELEASE

KELSO PURSUES DISCUSSIONS ON LONG TERM GROWTH FUNDING. TORONTO FINANCIAL FORUM SUCCESSFUL

THURSDAY, FEBRUARY 1, 2007 - VANCOUVER, BC, CANADA – Kelso Technologies (TSXV:KLS) reports that during its attendance at a four day Financial Forum and Trade Show in Toronto this past week, several advancements were achieved in the implementation of the Company's strategic plan. Retail investor reaction to the Company's attendance and presentation at this forum was extremely positive.

Several meetings were held with members of the city's financial community to discuss the ongoing development of the Company and its efforts to secure long term funding to increase sales in the rail sector and continue product development in order to exploit additional markets. In addition, a number of qualified investors expressed interest in participating in the recently announced private placement that Kelso has underway currently.

The Company intends to secure the appropriate capital to fully implement its revitalized business plan through the use of recognized financial instruments acceptable to its financing partners. To date, the Company has relied on management arranged private placements. However, the Board of Directors has approved a plan to enter into an agency and financing agreement with the intent of establishing and executing an underwriting of its securities appropriate to the shareholders. Discussion pursuant to such an arrangement is ongoing and will be reported as they become material.

Furthermore, due to the success of the Financial Forum in Toronto, the Company announced today that it will also participate in the Financial Forum to be held in Vancouver, February 17–19, 2007.

On January 29, 2007, Kelso announced its First Quarter results for the period ending November 30, 2006 which show a marked reduction in expenses. It also released its audited Year End results for the year ending August 31, 2006. Both the year end and quarterly results showed considerable increase in sales revenues.

The Company also reports that it has granted 2.311 million incentive stock options to Directors and Officers of the Company, each exercisable at \$0.10 per share and for a period of five years.

These transactions form a part of several initiatives that are positively affecting the Company as it implements its Strategic Corporate Plan.

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. 3 or via email to invest@kelsotech.com.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this Release. The information in this news release may contain forward-looking statements. When used in this release, words such as "estimate", "expect", "anticipate" and "believe" as well as similar expressions are intended to identify forward-looking statements. Such statements are used to describe management's future plans, objects, and goals for the Company and therefore involve inherent risks and uncertainties. The reader is cautioned that actual results, performance or achievements may be materially different from those implied or expressed in such statements, which speak only as of the date the statements were made. The Company does not update forward-looking statements continually as conditions change. We seek safe harbor.