



KELSO
TECHNOLOGIES
INCORPORATED

TSXV:KLS

NEWS RELEASE

FOR IMMEDIATE RELEASE

KELSO ENTERS INTO MEMORANDUM OF UNDERSTANDING WITH U.S. COMPANY TO ENHANCE MARKET AWARENESS OF KELSO TECHNOLOGY

WEDNESDAY, MARCH 21, 2007 - VANCOUVER, BC, CANADA – **Kelso Technologies Inc., developer of the unique JS75 pressure relief valve, (the “Company”) is pleased to announce that it has entered into Memorandum of Understanding (the “MOU”) with Virginia Sealing Products, Inc. (“VSP”) of Hopewell, Virginia to assist with market awareness and customer relations activities leading to increased product and technology knowledge about Kelso’s line of pressure relief valves within the Rail Transportation and Industrial marketplace.**

Kelso management initiated discussion with VSP in February as part of its mandate to identify and recruit a qualified, senior level executive to spearhead the Company’s sales and marketing efforts in North America, beginning with the rail sector. As a result, the two companies agreed to undertake a working relationship which would enhance Kelso’s reach to potential customers and ultimately increase sales of Kelso’s products.

Kelso has worked closely with VSP in the past to develop and supply sealing material and products for Kelso’s JS75 line of pressure relief valves for railroad tank cars. VSP was formed in 1979 to provide fluid sealing product fabrication and supply to industry. During the 1980’s, VSP began to focus on industrial gasketing, as industry began to convert to non-asbestos fluid sealing products. VSP’s range of products and suppliers increased during this time period to include many other world class fluid sealing product manufacturers.

VSP has 45 employees and support/fabrication centers in three states. VSP’s business is a combination of formal Fluid Sealing Management contracts with large industrial clients, traditional sales/distribution, sales of fabricated gaskets to distributors, OEMs and catalog companies around the country, development and manufacturing of patented or proprietary sealing products, and product supply and technical support into the railroad tankcar market. In addition to significant growth throughout the industrial marketplace, VSP has evolved into a major supplier of gaskets and related fluid sealing engineering and support services to the rail transportation market, with a diverse array of railcar repair companies and corporations throughout the CPI and Petroleum Refining industries.

It is because of VSP’s in-depth knowledge, history of success and access to customers in Kelso’s target user market in North America that the Company is very pleased to enter into an alliance with VSP. Kelso CEO, John L. Carswell said that *“as we transition from a pure research and development company to a marketing and sales focused entity, it is important to align ourselves with good companies that understand the importance of our new valve technology. We believe Virginia Sealing Products is just such a company and that they can help us achieve product and technology awareness in the market sectors we are initially going after. By integrating our products into their marketing and customer infrastructure we both see real and impressive growth opportunities.”*

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VSP is the first North American company selected to formally augment Kelso's marketing and sales efforts on a wide spread basis, and this MOU forms part of the new Strategic Plan that was initiated last fall subsequent to certain management changes with the Company. Kelso Technologies Inc. is a public Company that trades on the TSX Venture Exchange under the symbol KLS and is quoted in the United States on the Pink Sheets under the symbol KEOSF.

For further information regarding Kelso Technologies, please visit Kelso's website at www.kelsotech.com or contact Shareholder and Investor Relations at 1.866.535.7685 (604.878.7600) ext. 3 (kelso@kelsotech.com).

*Issued on behalf of the Board of Directors of
Kelso Technologies Inc.,*

*"John L. Carswell"
John L. Carswell
President & CEO*

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