



KELSO
TECHNOLOGIES
INCORPORATED

TSXV:KLS

NEWS RELEASE

FOR IMMEDIATE RELEASE

KELSO CONVERTS DEBT TO EQUITY AS PART OF OVERALL STRATEGY TO ELIMINATE ALL DEBT

FRIDAY, JULY 27, 2007 - VANCOUVER, BC, CANADA – Kelso Technologies Inc. (TSXV:KLS) (Pink Sheets: KEOSF), developer of the unique JS line of pressure relief valves, (the "Company") is pleased to announce that it has, through the cooperation of its former Chairman, its Directors and its legal counsel, reached agreements to convert outstanding debt into equity.

The creditors, most of whom are insiders, will receive shares and some warrants (where qualified) in exchange for monies owed them by the Company. The shares will be delivered at a 25% reduction to today's share price close in accordance with TSX Venture Exchange Policy. The conversion is subject to the usual regulatory approvals.

"We have been aggressively been pursuing new sales of our pressure relief valves to an industry which is slow to adopt change or adopt new technology. And, we are very pleased that we can count so many prestigious companies amongst those in our customer base and even more pleased at the continued product orders that we are receiving. Our technology is proving to be the best available and the most cost-effective for tank car owners and shippers. Our strategy to convert debt to equity is part of our overall strategy of reducing operating expenses, reducing debt and increasing revenues in order to create a stronger company and a profit-making company," stated John L. Carswell, Kelso's President & CEO. *"With reduced operating costs, the willingness of former employees and existing insiders to accept shares in lieu of salary, in place of repayment of loans made to the Company and/or in place of cash for ongoing expenses they have incurred on behalf of Kelso demonstrates their strong commitment to Kelso and their belief that Kelso will become a highly successful and highly profitable Company as it penetrates its market with more and more sales,"* he added.

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: please visit Kelso Technologies' website at www.kelsotech.com or contact Shareholder and Investor Relations at 1.866.535.7685 (604.878.7600) (kelso@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 within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. 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.

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

*“John L. Carswell”
John L. Carswell
President & CEO*

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