



KELSO
TECHNOLOGIES
INCORPORATED

TSXV:KLS

NEWS RELEASE

FOR IMMEDIATE RELEASE

KELSO TECHNOLOGIES ANNOUNCES AAR-APPROVAL OF ITS JS75H EXTERNAL PRESSURE RELIEF VALVE FOR THE EXPLODING ETHANOL MARKET

Kelso's safety valve eliminates problems associated with internal valves and offers the greatest level of reliability & safety in ethanol railcar applications

TUESDAY, OCTOBER 16, 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 *received approval* for its new JS75H Pressure Relief Valve from the Association of American Railroads.

The ethanol market, as cited recently by Railway Age and Progressive Railroading Magazine, is the largest market available for sales of Kelso valves at present. The rail industry has stated that ethanol production is growing at the rate of 28% per year and is still climbing. The construction of new ethanol plants is soon expected to double the industry's current capacity to 13-billion gallons by 2009. A fleet of 36,000 ethanol tank cars is expected to be in place by the end of 2008 and a boom in tank car construction to serve this ethanol market growth is expected to continue into 2009.

Kelso is in the unique position of having the best available ethanol valve to serve this growing market segment not only for new builds of ethanol tank cars but also to supply replacement valves for the less-than-satisfactory, decades-old designed valves now being supplied.

Kelso Technologies, the only known manufacturer of solely external safety valves in the railroad tank car equipment industry, has recently announced the availability of its **completely external, stem-free JS75H Pressure Relief Valve**. This new valve, like all of Kelso's state-of-the-art pressure relief valves, offers features that enhance cost-savings, performance, reliability and safety when compared with other valves available on the market today, all of which are based on decades-old designs.

Kelso's new JS75H is an external valve designed specifically to supply the ethanol transport rail market and therefore can help to reduce the number of Non-Accident Releases of ethanol during railcar transportation. By definition, a Non-Accident Release (NAR) is the "unintentional release of a hazardous material while in transportation (including loading and unloading) and does not involve an accident. Non-accident releases consist of leaks, splashes, and other releases from improperly secured or malfunctioning valves, fittings, and tank shells, and also include releases from pressure relief devices."

Kelso offers a completely stainless steel body and components and *does not utilize a "stem"* in its design – the elimination of the stem has resulted in elimination of a key problem associated with the older designs of valves now in use for ethanol shipping. Without a stem reaching inside the tank car, since Kelso's valve is external, *it is not susceptible to the deterioration associated with the stem-in-tank-car design. Because there is no stem, there is no possibility of stem*

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failure which occurs with frequency in other valves and there is no possibility of bending or weakening the stem (and therefore the valve's) performance as tank car contents sway inside the car during transit.

Kelso's JS75H has the highest flow rate available for ethanol use when compared with other internal valves now being sold to ethanol shippers and tank car lessors. It provides greater flow rates than any other ethanol valve on the market today and because of its external design, the JS75H prevents the ethanol from coming in contact with the working parts of the valve. By directing the product flow out the four sides of the valve, it reduces each directional flow by a factor of 75% and also eliminates the dangers of blinding service personnel or of their ingesting ethanol while inspecting or servicing the valve on the tank car.

In addition, the design of the **JS75H** eliminates o-rings which have proven to be very costly to maintain and very ineffective in performance. This added design benefit further reduces the likelihood of NARs which occur from o-ring failure, a very commonplace problem in the industry. The completely external design, the seal which is protected from the ethanol by a stainless steel retaining ring and the fact that the valve is all stainless steel means all of Kelso's valves offer greater longevity and lower cost service thereby saving costs of ownership over the lifecycle of the valve. For more information on the engineering and design of Kelso's valves, contact Kelso Technologies' Engineering Division at 866-802-8056.

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).

*Issued on behalf of the Board of Directors of
Kelso Technologies Inc.,
"John L. Carswell"
John L. Carswell
President & CEO*