



**KELSO**  
TECHNOLOGIES  
INCORPORATED

TSXV:KLS

# NEWS RELEASE

FOR IMMEDIATE RELEASE

## KELSO TECHNOLOGIES' MARKET FOR ITS PRODUCTS INCREASES AS RAIL SECTOR SHOWS GROWTH DESPITE ECONOMIC CONDITIONS

THURSDAY, OCTOBER 16, 2008 - VANCOUVER, BC, CANADA – **Kelso Technologies Inc. (TSXV:KLS) (Pink Sheets:KEOSF), a customer-driven, product-solutions company and developer of the unique JS line of pressure relief valves and Manway Securement System, (the “Company”) sees excellent sales opportunities in the growing rail sector, a sector which shows promising growth for the coming years despite current volatile economic conditions.**

*“While the North American economies have been experiencing difficult downward pressures recently, the rail industry appears to be reasonably strong with investment in infrastructure continuing. New tank car production is returning to its normal pace after several years of increased production which resulted from the ethanol boom. The chemical industry is not talking about any big reductions in volume which bodes well for a steady new car market. Continued steady use of the fleets is and will provide a steady repair/replacement market and Kelso is positioned well to make steady gains under current market conditions,”* stated Neil Gambow, President of Kelso Technologies (U.S.A.) Inc.

Railroads remain the backbone of North America's freight transportation network.

Major railroads in the U.S. are indicating steady increases in traffic. BNSF freight revenues of \$8.5 billion are up 16.6% over the same period in 2007. Kansas City Southern expects revenue growth of 10 – 14% over the next five years. Union Pacific Corp., the largest U.S. railroad, may help pace the industry to a record quarterly profit on higher fuel surcharges and growing demand for coal.

Warren Buffett's Berkshire Hathaway Inc. has acquired a 10.9 percent stake in Burlington Northern Santa Fe Corp., according to Securities and Exchange Commission filings, making the billionaire's Company the largest holder. Berkshire owned 39 million shares of the second-largest U.S. railroad as of April 5, after reporting a holding of 37.4 million on April 3, the filings show.

The more than 600 freight railroads operating today in Canada, Mexico, and the United States are vital to North America's economic health. They form a seamless integrated system that provides the world's most efficient, cost-effective freight service. North American railroads operate over 173,000 miles of track, and earn \$42 billion in annual revenues.

In the U.S., railroads account for more than 40 percent of all freight transportation —that's more than trucks, boats, barges or planes combined.

Seventy percent of all automobiles produced in the U.S. move by train. So does 30 percent of the nation's grain harvest and 65 percent of the coal which, in turn, provides more than half of the nation's electricity. Railroads move enough wheat to provide every man, woman and child a fresh loaf of bread six days a week . . . enough lumber to build almost three houses every minute of every day . . . and enough concrete to build 45 miles of new highway every day.

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.

**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 about Kelso Technologies, please visit the Company's website at [www.kelsotech.com](http://www.kelsotech.com) or contact Corporate Communications at 1.866.535.7685 ext. 3 (604.878.7600 ext 3.) (email: [kelso @ kelsotech.com](mailto: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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