



KELSO
TECHNOLOGIES
INCORPORATED

TSXV:KLS

NEWS RELEASE

FOR IMMEDIATE RELEASE

KELSO TECHNOLOGIES ANNOUNCES LATE FILING OF FINANCIAL STATEMENTS

MONDAY, DECEMBER 29, 2008 - VANCOUVER, BC, CANADA – Kelso Technologies Inc. (TSXV:KLS) announces that, as a result of the increased time required to complete its annual audited financial statements and management discussion and analysis for the year ended August 31, 2008 (the “Statements”), there will be a delay of the filing of the Statements as required by National Instrument 51-102 Continuous Disclosure Obligations.

The Company made an application to applicable securities regulators requesting a management cease trade order in respect of the late filing of the Statements. The Management Cease Trade Order has been granted which affects only the directors, officers and insiders of the Company and will not affect the ability of persons who are not officers, directors or insiders of the Company to trade the securities of the Company.

The Company is delayed in finalizing its financial statements primarily because of the Company’s delays in raising additional funds in the current conditions needed to undertake its audit. The Company has arranged a small private placement and is in the process of completing the necessary documentation to receive the funds and will be working with its auditors to complete the Statements as expeditiously as possible. Management expects to file the Statements by January 29, 2009 and in any event no later than February 27, 2009, which is the date that is two months after the original filing deadline for the Statements. The securities regulators may impose an issuer Cease Trade Order if the Statements are not filed by February 27, 2009.

Management wishes to confirm to its shareholders and other interested parties that the Company is not subject to any insolvency proceeding, there are no issues with regards to finalizing the filing of the Statements and there is no other material information concerning the affairs of the Company that has not been generally disclosed. Further the Company confirms that it intends to satisfy the provisions of the alternative information guidelines of National Policy 12-203 Cease Trade Orders for Continuous Disclosure Defaults so long as it remains in default of the requirement to file the Statements.

Kelso is a customer-driven, product-solutions company and developer of the unique JS line of pressure relief valves, Manway Securement System and other rail tank car products for the rail industry.

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 or contact Corporate Communications at 1.866.535.7685 ext. 3 (604.878.7600 ext 3) (email: kelso@kelsotech.com).

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

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

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.