



KELSO
TECHNOLOGIES
INCORPORATED

TSXV:KLS

NEWS RELEASE

FOR IMMEDIATE RELEASE

KELSO TECHNOLOGIES ELIMINATES \$440,620 IN OUTSTANDING DEBT & REDUCES “BURN” RATE

FRIDAY, JANUARY 29, 2010 - VANCOUVER, BC, CANADA – Kelso Technologies Inc. (TSXV:KLS) (Pink Sheets: KEOSF) (the "Company") is pleased to report on major changes made to its financial structure. These changes are contained in the Financial Statements for the three months ended November 30, 2009 released today.

The first quarter 2010 Financial Statements demonstrate a number of significant changes made to better position the Company for successful financing of its growth plans.

As these first quarter financials report, Management and the Board of Directors have undertaken drastic measures to eliminate debt. Three directors, two of which are officers, have collectively forgiven \$440,620 in outstanding debt in order to place Kelso on a better footing for completion of a major financing. In addition, Management has reduced salaries being paid, for an interim period, by approximately \$22,000 per month until the Company's cash flow and sales revenues improve. These actions demonstrate clear and continued commitment of Management to ensure that Kelso achieves the success it seeks and returns significant value to all of its shareholders, many of whom have long term relationships with Kelso.

Kelso's Board and Management, as announced October 23, 2009, are actively and diligently working to secure up to \$2 million in financing. These efforts continue, and, subject to shareholder approval of a share consolidation at its February 5, 2010 Special and Annual General Meeting, the Company will have restructured in a fashion that Management believes will facilitate the financing needed to grow the Company and achieve profitability.

The Company has survived through a very bad economy during the past two years and continues to establish its reputation as a valued supplier of pressure relief and inspection valves to the rail tank car sector. This has been a very important accomplishment as we look forward to what appears to be a better outlook for Kelso's product market by third quarter of 2010 when the new tank car builds being commissioned are expected to begin to rebound.

Kelso's Interim Financial Statements for the three months ended November 30, 2009 are available at www.sedar.com and at www.kelsotech.com.

Kelso is a customer-driven, product-solutions company. Its customers include, among others, such companies as American Railcar Industries, BASF Corporation, DuPont, Exxon-Mobil, Olin Chlor Alkali Products, Occidental Chemical Corporation, PotashCorp/GATX, Rescar Industries, Southwest Rail, Terra Nitrogen, Texana Tank Car, TrinityRail and Union Tank Car Company.

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*

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