



NEWS RELEASE

Kelso Technologies Inc.
(The “Company” or “Kelso”)

February 02, 2021

Canada: TSX: KLS
United States: NYSE American: KIQ

NOT FOR DISSEMINATION IN THE UNITED STATES

Non-Brokered Private Placement

Vancouver, British Columbia and Bonham, Texas - Kelso Technologies Inc. (“**Kelso**” or the “**Company**”), (TSX: KLS), (NYSE American: KIQ) announces the intention to raise up to CAD\$6,300,000 by way of a non-brokered private placement of up to 7,000,000 units at a price of CAD\$0.90 per unit (the “**Private Placement**”). Each unit will consist of one common share of the Company (a “**Common Share**”) and a one half of one Common Share purchase warrant of the Company (each whole Warrant, a “**Warrant**”). Each whole warrant can be exercised at CAD\$1.15 for the first 12 months or CAD\$1.30 for the second 12 months from the date of closing of the Private Placement.

All common shares issued under the Private Placement will be subject to a four month plus one day hold period in accordance with applicable Canadian securities laws. Closing of the Private Placement is subject to the receipt of all regulatory approvals, including those of the Toronto Stock Exchange (“TSX”), and all other closing conditions, including but not limited to, execution of the subscription agreements between the Company and the subscribers.

Subject to acceptance by the TSX, an 8% finder’s fee may be payable on all or a portion of the subscriptions accepted by Kelso.

The proceeds of the Private Placement will be used for the capital requirements of the Company’s 2021 business plans including ongoing marketing initiatives and scheduled new product development.

James R. Bond, CEO of the Company comments that, “Kelso is a proven product development organization that over the past decade has successfully designed, engineered and sold proprietary products for transportation related applications. This Private Placement is the first time since September 2012 that Kelso has sought to access new equity capital from the investment community to help finance the Company’s ongoing R&D and business development plans. The Company has generated over US\$120 million dollars in revenue at above average profit margins over the past decade. A percentage of these sales have been reinvested in the development of promising new technologies. Unfortunately, COVID-19 has created unprecedented financial uncertainties and the duration of the pandemic remains unpredictable. The rail tank car industry went into hibernation in the second quarter of 2020 and Kelso’s residual cash flows from operations and capital reserves have diminished since that time. The Company has several new proprietary products advancing toward revenue generation from new markets that include safeguards against accidental release of hazardous materials such as ethanol and propane. These new market opportunities along with the Company’s

established products are expected to grow revenues back to profitable levels once the negative impact of the COVID-19 crisis is behind us.”

About Kelso Technologies

Kelso is a diverse product development company that specializes in the design, production and distribution of proprietary service equipment used in transportation applications. Our reputation has been earned as a designer and reliable supplier of unique high quality rail tank car valve equipment that provides for the safe handling and containment of hazardous and non-hazardous commodities during transport. All Kelso products are specifically designed to provide economic and operational advantages to customers while reducing the potential effects of human error and environmental harm.

For a more complete business and financial profile of the Company, please view the Company's website at www.kelsotech.com and public documents posted under the Company's profile on www.sedar.com in Canada and on EDGAR at www.sec.gov in the United States.

Legal Notice Regarding Forward-Looking Statements: This news release contains “forward-looking statements” within the meaning of applicable securities legislation. Forward-looking statements are indicated expectations or intentions. Forward-looking statements contained in this news release include statements regarding the use of proceeds, the Closing of the Private Placement, that we can develop new proprietary products that include safeguards against accidental release of hazardous materials and the anticipated future financial performance of the Company which involves known and unknown risks and which may not prove to be accurate. Although Kelso believes its anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, they can give no assurance that such expectations will prove to be correct. The reader should not place undue reliance on forward-looking statements and information as such statements and information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Kelso to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information, including without limitation that the requirement for regulatory approvals from the TSX may not be received for the private placement, uncertainty in global economic markets as a result of the current COVID-19 pandemic and stock market volatility may restrict access to new equity capital from investors, our current and new product portfolio may not provide the intended economic or operational advantages to customers; we may be unable to grow and sustain future revenue streams at profitable levels because of competition or limited interest in our products; orders may be cancelled and competitors may enter the market with new product offerings which could capture some of our market share; costs of production may increase affecting our profitability and the economic viability of our business plans; we may have to find additional capital to keep up with costs and/or technological or product development expenses; and our products may not capture or maintain market share as well as expected. Except as required by law, the Company does not intend to update the forward-looking information and forward-looking statements contained in this news release.

On behalf of the Board of Directors,

James R. Bond, CEO and President

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