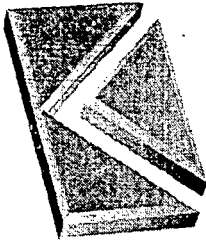


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**KELSO**  
TECHNOLOGIES  
INCORPORATED

# NEWS RELEASE

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## KELSO PRIVATE PLACEMENT OVER SUBSCRIBED

**August 21, 2003, VANCOUVER, BC** – Further to the Company's news release dated July 23, 2003, the Company is pleased to announce that the \$110,000 private placement has been over subscribed. The Company currently has commitments for a total of \$118,357.10, most of which has already been received and deposited to the Company's bank account. Accordingly, while the Company intends to close off subscriptions by the end of August, a decision has been made to increase the private placement to a maximum of \$150,000. None of the other terms of the private placement have changed. Therefore, the maximum private placement, which is subject to regulatory approval, will now be up to 1,500,000 common shares at a price of \$0.10 per share for total proceeds of up to \$150,000. The investors will also be granted non-transferable warrants to purchase up to an additional 1,500,000 common shares for a period of two years at a price of \$0.11 per share.

The proceeds of this Private Placement will be used for general working capital.

More information is available at the Company's website [www.kelsotech.com](http://www.kelsotech.com). Our Investor Relations Dept. can be reached by telephone at 1-866-535-7685 (toll-free) or 1-604-878-7600 or by email to [investor-relations@kelsotech.com](mailto:investor-relations@kelsotech.com).

"Stephen L. Grossman"

Stephen L. Grossman, Chairman, President & CEO

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this Release

**"Growth through Product Development"**

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