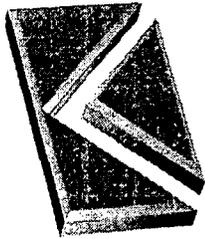


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KELSO
TECHNOLOGIES
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NEWS RELEASE

TSX-V:KLS



FOR IMMEDIATE RELEASE

KELSO ANNOUNCES INCENTIVE OPTIONS

December 29, 2003, Vancouver, BC — The Company announces that it has granted, subject to all necessary regulatory approvals, incentive stock options to its senior officers and directors to purchase 1,442,775 common shares. The options are exercisable on or before December 29, 2008 at a price of \$0.10 per share. The shares will be subject to a 4 month hold period pursuant to the policies of the TSX Venture Exchange.

The Company further announces that the exercise price of 1,594,788 incentive stock options has been reduced to \$0.10, subject to all necessary regulatory approvals.

Any questions regarding Kelso Technologies Inc. may be directed to the Investor Relations Department at 1-866-535-7685.

"Stephen L. Grossman"
Stephen L. Grossman, President

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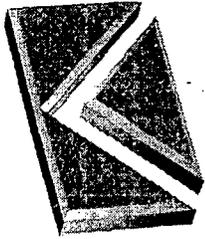
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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this Release.

"Growth through Product Development"

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