This is the form of material change report required under section 85(1) of the Securities Act and section 151 of the Securities Rules.

FORM 27

Securities Act

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE ACT

Item 1. **Reporting Issuer**

KELSO TECHNOLOGIES INC.
801 – 1318 Homer Street
Vancouver, B.C.
V6B 6A7

Item 2. **Date of Material Change**

June 12, 2000

Item 3. **Press Release**

June 12, 2000; Vancouver, B.C.

Item 4. **Summary of Material Change**

The Company announces that it has arranged, subject to regulatory approval, a Private Placement of 245,000 common shares at a price of $.20 per share for total proceeds of $49,000.00. The placees will also be granted non-transferable warrants to purchase up to an additional 245,000 shares for a period of two years at a price of $0.27 per share if exercised.

Item 5. **Full Description of Material Change**

The Company announces that it has arranged, subject to regulatory approval, a Private Placement of 245,000 common shares at a price of $.20 per share for total proceeds of $49,000.00. The placees will also be granted non-transferable warrants to purchase up to an additional 245,000 shares for a period of two years at a price of $0.27 per share if exercised.

The proceeds of this Private Placement will be used toward financing Patents for individual countries around the world regarding Kelso's JS75 SRV Valve. Under the current Patent Cooperation Treaty (PCT), Kelso is covered in approximately 92 countries. The PCT Patent expires in July and Kelso must select which international countries to have its JS75 SRV Valve patented in. With professional legal advice, Kelso has narrowed the PCT Patent country selections to those which management believes are most beneficial to Company shareholders. This process took into account other industry applications besides the rail industry. Kelso believes that the JS75 SRV Valve can be modified for six additional industries.

The Company also announces that it has decided to try and arrange a further Private Placement for general working capital. It is hoping to raise up to an additional $250,000.00 at the same terms above.

Item 6. **Reliance on section 85(2) of the Act**

N/A

Item 7. **Omitted Information**

N/A

Item 8. **Senior Officers**

Stephen L. Grossman, President
Tel: (604) 899-1274

Item 9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED this 12th day of June, 2000.

"Stephen L. Grossman"
(signature)

Stephen L. Grossman
Name

Director
Position

Vancouver, B.C.
Place of Declaration