

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

**BC FORM 53-901F  
(Previously 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**

September 4, 2003

**Item 3. Press Release**

September 5, 2003; Vancouver, B.C.

**Item 4. Summary of Material Change**

Further to the Company's news release dated August 21, 2003, the Company is pleased to announce that it has closed its private placement in respect of 1,408,571 common shares at a price of \$0.10 per share for total proceeds of \$140,857.10. The Placees were also granted non-transferable warrants to purchase up to an additional 1,408,571 shares for a period of two years at a price of \$0.11 per share. Pursuant to the laws of British Columbia, these securities are subject to resell restrictions until September 5, 2004. Pursuant to the laws of the United States, additional resell restrictions may apply to the securities purchased by US residents.

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

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**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 5<sup>th</sup> day of September, 2003.

"Stephen L. Grossman"  
(signature)

Stephen L. Grossman  
Name

President  
Position

Vancouver, B.C.  
Place of Declaration