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**

October 2, 2003

Item 3. **Press Release**

October 7, 2003; Vancouver, B.C.

Item 4. **Summary of Material Change**

Kelso Technologies is very pleased to announce that it has signed an agreement with the investment banking firm of Goldsmith Agio Helms to assist Kelso in securing additional growth capital.

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

Kelso Technologies is very pleased to announce that it has signed an agreement with the investment banking firm of Goldsmith Agio Helms to assist Kelso in securing additional growth capital.

Goldsmith Agio Helms is a highly respected private investment banking firm that provides financial advisory services to middle-market businesses, typically ranging in size from US$25 million to US$500 million. The firm's services include mergers and acquisitions, private placements, distressed advisory and restructuring, and valuations and fairness opinions. In raising capital through private placements for its clients, the firm's principals have negotiated and closed transactions ranging from US$5 million to more than US$1 billion. (Source: www.agio.com)

Goldsmith Agio Helms has represented hundreds of middle-market businesses owned by prominent entrepreneurs, private equity groups, Fortune 500 companies, and other public and private companies, in a broad range of industries. The firm operates internationally from its offices in Minneapolis, New York, Chicago, Los Angeles, Naples (Florida), and London.

"*For a company of our size and value, this opportunity to work with one of the most prestigious investment bankers in North America was unthinkable only a few months* *ago. It was through our own perseverance and good relationships that Kelso was able to open the door and allow discussions to begin between us and Goldsmith Agio Helms*," stated Kelso's President & CEO Stephen L. Grossman.

"*After learning about Goldsmith Agio Helms, it is clear just how fortunate Kelso is to work with them. Even though Kelso is not a mid-size business, one of firm's Managing Directors felt Kelso is an attractive business worthy of their involvement. The engagement agreement stipulates that Goldsmith Agio Helms will earn an accomplishment fee for its success. The term 'accomplishment' gives me the insight into their thinking and to their expectations and outstanding corporate successes*," said Grossman.

"*Kelso has been built on one success after another through many years of research and development. In February 2003, the Association of American Railroads certified our JS75 SRV Pressure Relief Valve for 75 pound general purpose railroad tank cars carrying non-hazardous commodities. We believe that the final piece of the puzzle is now in place to secure the financing required to enter commercialization and to continue our ongoing research and development for our other valves and products*," Grossman added.

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 7th day of October, 2003.

"Stephen L. Grossman"
(signature)

Stephen L. Grossman
Name

President
Position

Vancouver, B.C.
Place of Declaration