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**

March 11, 2004

Item 3. **Press Release**

March 12, 2004; Vancouver, B.C.

Item 4. **Summary of Material Change**

The Issuer wishes to announce that the TSX Venture Exchange (the “Exchange”) has approved a time based formula for the release of 750,000 previously issued escrow shares (the “Escrow Shares”).

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

The Issuer wishes to announce that the TSX Venture Exchange (the “Exchange”) has approved a time based formula for the release of 750,000 previously issued the Escrow Shares. Shareholder approval was granted at the Issuer’s 2004 annual general meeting.

Pursuant to the time based formula, 10% of the Escrow Shares will be issued 60 days following this news release and 7.5% of the balance will be issued every six months over a total of 6 years (commencing September 11, 2004).

These Escrow Shares have always been included in the Issuer’s issued and outstanding share capital.

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 18th day of March, 2004.

"Steve Grossman"

(signature)

Stephen L. Grossman
Name

President
Position

Vancouver, B.C.
Place of Declaration