

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Kelso Technologies Inc.
125A – 1030 Denman Street
Vancouver, BC V6G 2M6

Item 2 Date of Material Change

November 8, 2007

Item 3 News Release

date of dissemination – November 9, 2007

method of dissemination - Canada StockWatch and Market News

Item 4 Summary of Material Change

Kelso Technologies Inc. is pleased to announce that it has appointed Neil E. Gambow Jr., a senior manufacturing operations executive, to the position of President of Kelso's wholly-owned US subsidiary, Kelso Technologies (U.S.A.) Inc. effective November 12, 2007.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Kelso Technologies Inc. is pleased to announce that it has appointed Neil E. Gambow Jr., a senior manufacturing operations executive, to the position of President of Kelso's wholly-owned US subsidiary, Kelso Technologies (U.S.A.) Inc. effective November 12, 2007.

Mr. Gambow, based in Chicago, Illinois, will be responsible for the leadership of Kelso Technologies (U.S.A.) Inc. This Company has been positioned by Kelso over the last two years as the sales, marketing and manufacturing operation for the parent Company. Mr. Gambow is the former President of Midland Manufacturing Co., a fully integrated, stand-alone subsidiary of the Dover Corporation, a US-based Fortune 500 company. Midland produces valves and valve-related products for the North American Rail Tank Car market.

A results-oriented, hands-on manufacturing executive, Mr. Gambow is a strong leader experienced in managing and growing business enterprises to profitable levels. He is experienced in the preparation of effective strategic plans, building strong management teams, and in developing and maintaining excellent customer relationships at senior levels. He brings proven entrepreneurial leadership and keen communication skills which will enable Kelso to develop a roadmap for revenue growth, profit generation, performance excellence, customer satisfaction and shareholder value.

"To say I am delighted that Neil has agreed to join Kelso is very much an understatement. Kelso conducted a search for a key rail person to lead the charge to make it a dominant force in the pressure relief valve and rail products industry. There is no better individual from the rail industry that could bring to Kelso, the combination of experience, relationships and in-depth knowledge of that sector and in particular, of the

pressure relief valve niche," stated John L. Carswell, President & CEO of Kelso's parent Company.

During his career, Mr. Gambow led the acquisition of a manufacturing company and integrated it into a parent company, integrated an acquired product line into plant operations, more than doubled revenue and profit in the last two companies by reducing costs and increasing revenue, introduced Global Sourcing and successfully changed internal cultures.

As President of Kelso's US subsidiary, Mr. Gambow will have responsibility for achieving profit goals, growth objectives and other metrics. He will direct marketing, sales, manufacturing, supply chain, product engineering, quality assurance and customer support.

Mr. Gambow will be responsible for the development and execution of comprehensive strategies to accelerate rail market penetration to drive revenue growth and also to drive earnings growth. His expertise will provide for operations management systems and policies to reduce production costs, to oversee the growth in manufacturing capabilities and to establish internal and external communications tools and mechanisms to handle the expected volume increases.

"My decision to join Kelso was based on two key factors. The first is the unique and innovative pressure relief valve that Kelso has developed for the rail tank car market. It is undoubtedly, the next generation in pressure relief technology and something that will definitely benefit the industry through lower cost of ownership and better all round performance. The second factor is Kelso's leadership and vision. The Management has positioned the Company for future growth and success not only within the rail sector in North America, but also internationally in a multitude of other industries as well as rail," Mr. Gambow stated as the newly-appointed President of Kelso Technologies (U.S.A.) Inc.

While his primary focus will be the rail industry in North America, Mr. Gambow will assist the existing management team in its expansion of rail and other markets internationally where opportunities to exploit Kelso's 21 Patents exist.

Mr. Gambow, who has been active with the American Association of Railroads (AAR), the Chlorine Institute and the Bureau of Explosives (BOE), will continue to represent Kelso to these organizations as well as to work closer with the major tank car lessors and manufacturers in North America.

In addition to being recent past President of Midland Manufacturing Company, Mr. Gambow was also President of Post Glover Resistors Inc. (1990-2001), a fully integrated manufacturing enterprise with annual sales of \$20 million and 140 employees. From 1987 to 1990, he was President of Ellis and Watts based in Cincinnati. Ellis and Watts was a fully integrated manufacturing enterprise with annual sales of \$40 million and 250 employees. He spent numerous years with the Goodrich Corporation (formerly BF Goodrich) in a succession of positions ranging from overseeing manufacturing and production of aircraft, marine, rubber products and rising to the position of Group Vice President in the Aerospace and Defense Division.

This appointment forms a part of several initiatives that are positively affecting the Company as it implements its Strategic Corporate Plan.

In accordance with the Company's approved 2007 Stock Options Plan, the Company also reports that it has granted a total of 1,885,993 million incentive stock options to Consultants, Officers and Directors of the Company, 100,000 exercisable at \$0.45 per share, 100,000 exercisable at \$0.25 per share and 1,685,993 exercisable at \$0.10 per share. All options are exercisable during the next five years. These incentive stock options are awarded to provide key individuals with performance incentives as part of their agreements with Kelso Technologies Inc.

5.2 Disclosure for Restructuring Transactions

N/A

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

N/A

Item 7 Omitted Information

N/A

Item 8 Executive Officer

John L. Carswell
604-878-7600

Item 9 Date of Report

November 13, 2007