51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Kelso Technologies Inc. (the "Company")
13966 18B Avenue
Surrey, B.C. V4A 8J1

Item 2 Date of Material Change

August 10, 2016

Item 3 News Release

A press release announcing the material change referred to in this report was disseminated on August 10, 2016 through Marketwired and filed on SEDAR and EDGAR.

Item 4 Summary of Material Change

The Company announced that Laura B. Roach has been appointed as a Director of the Company.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change:

Kelso Technologies Inc. ("Kelso" or the "Company") is pleased to announce that Laura B. Roach has been appointed to the board of the Company as an independent director.

Ms. Roach is a partner at Albin Roach, a law firm located in Collin County, Texas. Ms. Roach's practice consists of both litigation matters and mediation. Her clients range from large business to individuals. She has the role of operational leader at the law firm. Ms. Roach is also an entrepreneur, founding and running a referral and marketing business. Ms. Roach has been recognized many times for the quality of her legal practice, including being named one of Texas Monthly magazine's super lawyers every year since 2013, being named as a top attorney in D Magazine every year since 2013, and one of the top 21 to lead Collin County into the 21st Century by Inside Collin County Business, among other recognitions. Ms. Roach is also very involved in community service.

The Company believes that Ms. Roach will add significantly to the mix of expertise on the board, and in particular, to process and corporate governance matters.

For the period from August 2, 2016 until today, with the resignation of John O'Neill from the board, the board consisted of three independent directors and three directors who are included in management of the Company. This board composition did not comply with NYSE Regulations, which require a majority (over 50%) of the board to be comprised of independent directors. The Company received notice of non-compliance with this board majority requirement from the NYSE on August 9, 2016, and had until its next AGM, currently scheduled for June, 2017, to become compliant. The appointment of Ms. Roach as a director brings the Company into full compliance with that NYSE Regulation immediately.

5.2 Disclosure for Restructuring Transactions

Not applicable

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

Not applicable

Item 7 Omitted Information

None

Item 8 Executive Officer

James R. Bond, CEO and President, 250-764-3618

Item 9 Date of Report

August 10, 2016