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UTLX and Kelso Technologies Enter Joint Agreement to Produce Pressure Relief Valves

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Union Tank Car Company and Kelso Technologies have entered into a five-year Joint Marketing and Development Agreement to manufacture and market Kelso's patented JS SRV line of pressure relief valves. The Agreement encompasses all aspects of valve development and manufacturing, as well as marketing, technical support, and service.

Union Tank Car will offer Kelso's externally sprung safety valves as replacement valves on certain UTLX railroad tank cars, which are owned by UTLX and leased to bulk liquid shippers. The valves will also be offered as original equipment on new cars built by UTLX Manufacturing, Inc. for lease or sale.

UTLX affiliate, McKenzie Valve and Machining Company will have the exclusive manufacturing rights in the U.S., Canada, and Mexico for all Kelso JS SRV pressure relief valves for sale to the North American rail industry. These include Kelso's existing JS75 SRV and other valve designs that may be developed. McKenzie will also assist Kelso in valve development to ensure timely design-to-market cycles, manufacturing ease, and quality control.

Kelso will be responsible for the marketing, sales, and technical support for after-sales service of its valves. Prospective customers will be railcar maintenance and repair facilities, tank car owners and lessees, as well as other manufacturers of tank cars.

"Kelso JS SRV pressure relief valves are well-suited for both hazardous and non-hazardous product service and represent an alternative source of supply for quality safety relief devices," explained UTLX President, Frank Lester. "These valves will also be a good choice for UTLX customers who ship products that require protective interior tank car coatings. We always prefer to offer quality valves built by McKenzie."

"The adoption of our valve design by North America's largest leased tank car fleet operator provides a major boost to the commercialization of our 21st Century technology," said Stephen L. Grossman, President and CEO of Kelso. It also means that we will be able to provide value and greater safety possibilities to transporters of bulk liquids."

Union Tank Car Company (www.utlx.com) is the leading designer, builder, and lessor of specialized railcars. With its Canadian affiliate, Procor Limited, UTLX owns a fleet of approximately 85,000 railcars. In addition to manufacturing plants in East Chicago, IN and Sheldon, TX, the Chicago-based company operates a North American network of repair shops, coating shops, and On-Site® Repair locations. UTLX is a member of The Marmon Group of companies, an international association of more than 100 companies that operate independently within diverse business sectors. Collective revenues exceeded \$5.5 billion in 2003.

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McKenzie Valve & Machining Company (www.mckenzievalve.com) produces ball valves, spring-operated safety valves, vacuum relief valves, heads for pressure cars, and mirror-finish manway covers. The shop is AAR-certified. Like UTLX, McKenzie is a member of The Marmon Group of companies.

Kelso Technologies Inc. (www.kelsotech.com) is a public company that trades on the TSX Venture Exchange in Canada under the symbol KLS. Headquartered in Vancouver, BC, Kelso Technologies' mandate is to develop industrial technology including its JS SRV valve technology, which is patented in major countries around the world. During 2004, the AAR certified Kelso's first application for the North American railroad tank car market, the external JS75 SRV pressure relief valve.

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