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# QS Energy Provides Business Update for the First Quarter of 2019

***On Track to Complete Installation of AOT Commercial Demonstration Equipment in May and Commence Testing in June***

**HOUSTON, TX / ACCESSWIRE / May 17, 2019** [QS Energy, Inc.](#) (the "Company" or "QS Energy") (OTCQB: QSEP), a developer of integrated technology solutions for the energy industry, today provided a business update for the first quarter ended March 31, 2019.

Jason Lane, Chief Executive Officer and Chairman of the Board, commented, "We are pleased to report that we made significant progress advancing our Applied Oil Technology (AOT) commercial demonstration project. Although we experienced minor delays in April, our equipment has been installed and we remain on track to complete commissioning of the demonstration project by the end of May. As a result, we expect to begin operations in June and should have initial data and preliminary results within the next few weeks of commencement, which will be a major milestone for the Company as we rapidly advance toward our goal of full-scale commercialization."

"Having learned from difficulties experienced in previous commercial test installations, we deliberately chose not to structure our agreement with the pipeline operator as a revenue event for the Company in the form of an equipment sale or a lease, but rather a true collaboration under which we will continue to own and test the equipment while the pipeline operator expects to benefit from AOT viscosity reduction. For this reason, we offered to pay for outside engineering, site preparation and installation and in January, put up a \$500,000 good-faith deposit to cover these costs. As a result, our AOT equipment has been installed at a site we believe is well suited for both testing and long-term operations. The selected pipeline should experience measurable benefits from viscosity reduction, and heavy crudes typically transported through this site are expected to respond well to treatment by AOT. While we will not be disclosing pipeline operator's confidential information, we will be collecting AOT test results and analyzing operational benefits. We look forward to sharing this AOT-specific data and analysis with prospective customers, as well as updating our shareholders as the project progresses."

"We are also highly encouraged by the strong industry interest in this demonstration project, with a number of prospective pipeline operators closely following our progress. The demonstration pipeline operator has expressed interest in additional AOT units along the demonstration pipeline as well as other locations. Other inquiries have been on a global level, including pipeline operators in both North and South America. With 71% of worldwide crude traveling by midstream pipelines, we believe our technology solution will offer pipeline operators a high return on capital through increased flow rates and effective pipeline capacity, as well as significantly reduced operating costs, including less reliance on diluents and lower delivery costs with maximum uptime and minimal maintenance."

"Overall, we remain highly encouraged by the outlook for this commercial demonstration

project and believe our technology provides a solution to a major industry challenge, representing a potential multi-billion dollar market opportunity if the cost savings of our technology are even close to what we anticipate. We appreciate the cooperation and support provided by the pipeline operator, and look forward to providing meaningful and detailed updates in the very near future."

For further information about QS Energy, Inc., visit [www.QSEnergy.com](http://www.QSEnergy.com), read our SEC filings at <http://ir.stockpr.com/qsenergy/all-sec-filings> and subscribe to Email Alerts at <http://ir.stockpr.com/qsenergy/email-alerts> to receive Company news and shareholder updates.

### **Safe Harbor Statement**

Some of the statements in this release may constitute forward-looking statements under federal securities laws. Please visit the following link for our complete cautionary forward-looking statement: <http://www.qsenergy.com/site-info/disclaimer>.

### **About Applied Oil Technology**

QS Energy's patented Applied Oil Technology (AOT) is a solid-state turn-key system which uses a high volt / low amp electric field to reduce crude oil viscosity. AOT installs inline on crude oil pipelines, operates unattended without interrupting pipeline flow, with full remote monitoring and control. More information is available online at [www.qsenergy.com/technology](http://www.qsenergy.com/technology).

### **About QS Energy**

QS Energy, Inc. (OTCQB: QSEP), develops and markets crude oil flow assurance technologies designed to deliver measurable performance improvements to pipeline operations in the midstream and upstream crude oil markets. More information is available at [www.qsenergy.com](http://www.qsenergy.com).

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