

QS Energy Provides Demonstration Project Status Update

Interim testing completed and full-scale testing on track to resume in Q4 2019

HOUSTON, TX / ACCESSWIRE / September 13, 2019 / [QS Energy, Inc.](#) (the “Company” or “QS Energy”) (OTCQB:QSEP), a developer of integrated technology solutions for the energy industry, today provided an update on its AOT commercial demonstration project.

Jason Lane, Chief Executive Officer and Chairman of the Board, commented, “We have been working for the past several months on our Applied Oil Technology (AOT) demonstration project to be operated on a commercial pipeline located in the southern United States. This project continues to progress as described in the Company’s second quarter 2019 business update dated August 15, 2019. As reported in this and other previous updates, our equipment was installed in July 2019, but operations were suspended upon discovering the system’s primary power supply had been damaged prior to installation. The power supply was repaired and reinstalled in late August. The system operated as expected, and limited testing was performed at that time.

“Results of this limited testing were consistent with recent laboratory tests performed at our Tomball, Texas facilities. As expected, the repaired power supply was not capable of providing sufficient power to fully treat the crude oil under commercial operating conditions. This was, however, an important step in support of the Company’s current plans to modify and re-start AOT demonstration project operations.”

Dr. Christopher Gallagher explained, “At full commercial scale, our AOT device operates as a complex and dynamic system. Over the past few months, we have advanced our understanding of the oil flow and electric field interactions of this system both in the lab and in the field. As expected, AOT demonstration operations and testing with the repaired power supply were limited due largely to the combined effects of crude oil conductivity and operating limits of the installed power supply. Though limited, results of these in-field tests were consistent with recent laboratory tests performed both at our Tomball facility and at Temple University. Based on testing to date, we continue to move forward confident in our plans to reconfigure the AOT and re-start AOT demonstration operations before the end of the year. In the meantime, we will continue testing to further improve our understanding of this complex system.”

“In anticipation of this result,” continued Lane, “we put an accelerated plan in place to procure a new power supply capable of providing significantly more power and reconfigure a newly optimized AOT grid pack assembly based on our latest laboratory and in-field test results. Our longest lead-time item is the new power supply, which has been ordered and is in production. Based on the vendor’s current schedule, the new power supply should be delivered by late October to early November. Parts for the reconfigured grid pack are also in production, and based on vendor schedules, should arrive at our facilities by mid-October. Subject to on-time vendor deliveries and timely re-assembly of our equipment on-site, we

continue to anticipate the resumption of AOT demonstration project operations in the fourth quarter of 2019.

“I am extremely excited to get back in the field after months of lab tests. We will continue to provide updates on our progress along the way to both investors and the many companies that have expressed interest in the AOT. We remain highly encouraged by the prospects for our technology, as well as the significant market potential, and look forward to resuming operations at the AOT demonstration site in what we anticipate will be a milestone event in our efforts to achieve commercial adoption and sales of our AOT device in 2020 and beyond.”

For further information about QS Energy, Inc., visit www.QSEnergy.com, read our SEC filings at <https://ir.stockpr.com/qsenergy/all-sec-filings> and subscribe to Email Alerts at <https://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: <https://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.

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.

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