

April 1, 2019



QS Energy CEO Jason Lane Issues Shareholder Update

HOUSTON, TX / ACCESSWIRE / April 1, 2019 [QS Energy, Inc.](#) (the "Company" or "QS Energy") (OTCQB: QSEP) is a developer of integrated technology solutions for the energy industry. The following is a shareholder update from Jason Lane, Chief Executive Officer and Chairman of the Board, QS Energy, Inc.

Dear Shareholders:

As Q1 2019 draws to a close, we can report that a number of short-term business objectives have continued to advance since our last update, further driving progress toward our goal of commercializing our AOT technology in the midstream heavy oil sector. Specifically, this quarterly update covers our progress in three key areas: status of the much-anticipated AOT demonstration project, progress in our value engineering, and momentum in our investor and industry communication strategy.

As communicated in my February 2019 shareholder update, work on our AOT demonstration project with our pipeline operations partner began earlier this year. We have been very pleased with the working relationship and operational excellence of our partner on what could be a milestone event for the Company. Although we're a bit behind schedule on our mutual goal of installation and operations in the first quarter of 2019, I have been very impressed with the pace of this pipeline company. The project is well under way and we see consistent progress toward final site preparation and equipment installation. While civil and electrical engineers have been focused on site design and preparation, we have been working with our demonstration project partner to develop and confirm start-up, tuning and testing protocols. Based on our most recent review of progress and timelines, we now anticipate shipping AOT equipment to the demonstration site by mid-April, with installation and commissioning of the AOT to be complete by the end of April. If all goes according to plan, the AOT demonstration project is scheduled to begin operations the first week of May.

Meanwhile, Shannon Rasmussen, our VP of Engineering, has continued to make impressive progress on value engineering and manufacturing efforts. While three-dimensional computer-aided design (3D CAD) modeling and optimization continues, we have issued new design specifications for AOT skids and pressure vessels and a request-for-quote (RFQ) to highly qualified Houston-based vendors with experience supplying the crude oil industry. So far, proposals received in response to the RFQ indicate we should be able to reduce both time and cost to produce new AOTs in what we anticipate to be commercial production. Constant pursuit of new vendors and collaboration with our existing supply chain partners is allowing us to optimize the gap between engineering design and manufacturing capabilities.

As we move into what we hope will be the final steps toward commercial operations, much of our focus has been on preparing to leverage proof-of-performance data from the demonstration project to reintroduce our AOT technology to the industry. Since taking the reins of QS Energy two years ago, I have been working with my team to lay the foundation

for potential sales by meeting with pipeline companies around the world. These decision-makers understand the basic value proposition and, like all of us, eagerly await results of the demonstration project. With anticipated data in hand, this should no longer be an academic exercise. Industry executives with defined and demonstrated need for our technology are waiting for the type of information and access that this demonstration project has been designed to provide.

Our move to the Greater Houston area has been of great value to the Company. Located in this energy epicenter, we're in the backyard of many potential customers with global operations and have immediate access to some of the most qualified engineers and vendors in the industry.

As we move toward commercialization of our AOT technology, we have a growing need to provide consistent, complete and accurate information. With this in mind, we recently conducted a rigorous review of experienced, qualified communications firms. In February we engaged a Houston firm that has extensive oil and gas experience to support our efforts in this important function, and next we will seek to engage an investor relations firm to round out our communications team.

Over the past month, we have been working with the communications firm to refine our corporate messaging with a focus on driving brand awareness and value. In concert with the demonstration project timeline, the communications team is now preparing a professional press kit and media relations strategy targeting both business/financial audiences as well as technical decision-makers in pipeline companies. If initial data from the demonstration project appears promising, they will prepare and issue news releases and conduct proactive outreach to business and trade press to get our Company and technology story told to the right audiences.

The communications firm has also been instrumental in helping us prepare for the QS Energy presentation in the energy track of the annual Spring Investor Summit in New York City, April 1st and 2nd. The event features up to 200 presenting companies, 1,200 institutional and retail investors, many one-on-one meeting opportunities, expert speakers and industry panels. In addition to our presentation and one-on-one meetings with qualified, pre-screened investors, we will be interviewed for a short video by a broadcast journalist from Proactive Investors. Proactive Investors operates 10 online financial portals worldwide with more than 11 million visitors per year. The video will be distributed to the Summit's investor database and made available through the Proactive Investor financial portals. Our investor presentation content and design has been professionally designed to fully communicate our compelling Company and technology story, and we have worked closely with our communications firm on effective delivery of our presentation and audience Q&A.

In alignment with our brand awareness, we have been reviewing the naming of our technology and devices with our communications firm and believe a change may be in order. By re-naming our technology and devices, we may be able to better attract clients and communicate the value and benefits of our technology with a brand that is message-driven.

We are encouraged by the progress made this quarter on many fronts, and excited for the potential 2019 holds for the Company. In addition to the efforts of our now expanded professional team, we value and appreciate your long support, as always.

Best regards,
Jason Lane
CEO, QS Energy, Inc.

For further information about QS Energy, Inc., visit 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.

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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