

March 19, 2018



QS Energy CEO Jason Lane Issues Shareholder Update

HOUSTON, TX -- (Marketwired) -- 03/19/18 --

[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:

I would like to update you on progress we've made since my previous shareholder update letter. In January, I described three prospective customers considering AOT pilot programs. I am excited to report the first of these three potential pilots has received preliminary approval and has moved from concept to planning phase, targeting pilot installation in July 2018. We are now working diligently to finalize project details and definitive documents. Although we've been asked to keep project details confidential at this time, I can tell you the overseas pipeline site under consideration transports very heavy crudes and is highly dependent on diluents to meet viscosity requirements. This project presents an excellent opportunity to showcase both financial and operational benefits of AOT. Once plans and definitive documents are finalized, we will provide project details. Moving forward, the project is expected to provide valuable operational data to demonstrate value and efficacy to the market, and upon successful pilot operations, the operator is well positioned to benefit from system-wide adoption of AOT and could have high demand for our technology.

We are continuing to make progress on two additional pilot programs as described in my January letter. Temple University is in the process of completing tests on oil samples provided by these prospective customers, and we expect final reports before the end of the month. We plan on meeting with these companies in the next 2-3 weeks to work on finalizing project details with the intention of executing an LOI for at least one more pilot program in 2018.

As we continue to work with these and other companies, we see growing interest and enthusiasm in our AOT product line. We are excited to see the AOT in the field operating without the tight constraints of previous non-disclosure agreements. Once again, we thank you for your support and we look forward to a great year!

Sincerely,
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

Developed in partnership with scientists at Temple University in Philadelphia, Applied Oil Technology (AOT) is the energy industry's first pipeline flow improvement solution for crude oil, using an electrical charge to coalesce microscopic particles native to unrefined oil, thereby reducing viscosity. Over the past four years, AOT has been rigorously prepared for commercial use with the collaboration of engineering teams at numerous independent oil production and transportation entities interested in harnessing its demonstrated efficacy to increase pipeline performance and flow, drive up committed and uncommitted toll rates for pipeline operators, and reduce pipeline operating costs. Although AOT originally attracted the attention of pipeline operators motivated to improving their takeaway capacity during an historic surge in upstream output resulting from enhanced oil recovery techniques, the technology now represents what we believe to be a premier solution for improving the profit margins of producers and transporters during today's economically challenged period of low spot prices and supply surplus.

About QS Energy

[QS Energy, Inc.](#) (OTCQB: QSEP), provides the global energy industry with patent-protected industrial equipment designed to deliver measurable performance improvements to crude oil pipelines. Developed in partnership with a leading university along with crude oil production and transportation entities, QS Energy's high-value solutions address the enormous capacity inadequacies of domestic and overseas pipeline infrastructures that were designed and constructed prior to the current worldwide surge in oil production. In support of our clients' commitment to the responsible sourcing of energy and environmental stewardship, QS Energy combines scientific research with inventive problem solving to provide energy efficiency 'clean tech' solutions to bring new efficiencies and lower operational costs to the upstream, midstream and gathering sectors.

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