

QS Energy, Inc. Engages Investment Bank to Pursue Financing Initiatives

Leading Boutique Investment Bank With a Strong Focus on the Energy Sector to Support the Company's Parallel Growth Strategies

SANTA BARBARA, CA -- (Marketwired) -- 09/08/15 -- **QS Energy, Inc. (the "Company")** (OTCQX: QSEP), a developer of integrated technology solutions for the energy industry, today announced that it has engaged a leading, U.S.-based boutique investment bank to pursue financing in support of the Company's parallel growth strategies. These dual strategies are consistent of 1) commercialization and deployment of QS Energy's technology offerings; and 2) the acquisition of synergistic and accretive entities or product lines through its wholly-owned subsidiary, QS Energy Pool.

Greggory Bigger, QS Energy Chief Executive Officer and Chairman, commented, "We are excited to partner with an organization that is fully committed to the realization of our parallel growth strategies. This oil & gas focused firm will assist QS Energy's capital raising initiatives to fund ongoing operations, and separately for potential acquisitions on a case-by-case basis through QS Energy Pool. As I have stated over the last few months, the current energy market environment provides QS Energy with a unique opportunity, one which we are poised to take advantage of through our product portfolio and via our M&A strategy. The recent downturn and volatility in the US equities markets has only increased opportunities for us on both fronts, and now more than ever, opportunities are opening up for QSEP. Our banking partner understands the potential for immediate revenue generation stemming from these opportunities, and with their capital raising support we hope to aggressively pursue new proposals for our technology as well as accretive acquisitions, thereby leading to immediate value creation for our shareholders."

As previously disclosed, QS Energy recently initiated its mergers & acquisitions plan through its special purpose vehicle, QS Energy Pool, in an effort to acquire companies or assets that will have a substantial, positive impact on the Company's operations and balance sheet. The drastic decrease in global oil prices has put tremendous pressure on many small to mid-sized companies across all segments of the energy industry. In concert with the commodity price crash is the current downturn in US Equity markets, which is being pushed partly as a result of the crash, but also by factors such as China's economy, a potential US interest rate hike, poor jobs reports, among many others. The current instability of the US economy is putting an even tighter stranglehold on small to mid-sized energy companies, which is resulting in US bankruptcy filings at an alarming rate. QS Energy Pool will take advantage of these unique conditions through the identification and acquisition of undervalued entities, assets and technologies that have filed for Chapter 11, and that can be leveraged for the deployment and enhancement of its AOT and Joule Heat technology offerings.

Mr. Bigger continued, "We are looking at what is almost a perfect storm of events for QS Energy, and our dual strategies for growth. Our Company is making inroads with additional

operators who are in need of improved operational efficiencies provided by our viscosity reduction systems, and in fact, we currently have a number of potential acquisition deals on the table for QS Energy Pool. Our advisors to the acquisition strategy, Scott and Bill, have been nothing short of stellar, as their knowledge of the industry and key relationships have put us into position to strike on a number of potential acquisitions. Our investment banking partner will pursue financing for those acquisition opportunities that are both accretive to, and synergistic with QS Energy's current operations on a case-by-case basis. I expect us to be very busy, working together on this front."

QS Energy continues to make progress as it moves from R&D to full commercialization of its Applied Oil Technology™ (AOT™) and Joule Heat™ Solutions. AOT is a patent-protected hardware system designed to reduce the viscosity of crude oil transported via pipeline, and developed in partnership with Temple University. AOT harnesses the principles of electrorheology to reduce viscosity, thereby lowering operational costs and improving efficiencies when transporting feedstock. QS Energy has partnered with various third-party testing organizations, as well as both upstream and midstream operators, to prove the financial benefits of AOT as a result of reduced viscosity. The Company's Joule Heat technology offering is a solution for the challenges of transporting heavy, waxy feedstock, as well as transporting petroleum products through cold weather environments. Preliminary testing suggests that Joule Heat will operate at significantly better efficiency rates than existing trace heating technologies. AOT and Joule Heat are both in active beta deployments with major North American operators.

Mr. Bigger stated, "We are making great strides towards the full commercialization of our viscosity reduction technologies, and we are ramping up testing, research & development, and production for both AOT and Joule Heat. Our newly-engaged investment banking partner will assist the Company with any necessary capital raising in support of our technology operations. It is critical that we maintain steady forward progress as the benefits of our hardware systems are further proven up, so that we are ready to deploy with operators around the globe at any time. Our banking firm understands the financial benefits that these deployments will bring to QS Energy and our shareholders, and we are highly confident in their abilities to raise capital for ongoing operations in support of these goals."

Mr. Bigger concluded, "Our banking partner is invested in, and committed to the success of our parallel growth strategies, and together we hope to reach the next level of value creation for our loyal shareholder base. The firm will lend its considerable resources to financing initiatives for QS Energy in support of ongoing operations, technology deployments, and acquisitions that will bolster our product portfolio and bottom-line revenues. We are proud to partner with their team as QS Energy moves into an exciting new era."

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

QS Energy, Inc. (OTCQX: 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 leading 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. More information is available at: www.QSEnergy.com.

Company Contact

QS Energy, Inc.

Tel: +1 805 845-3581

E-mail: investor@QSEnergy.com

Investor Relations & Media Contact

Jay Morakis

M Group Strategic Communications

Tel: +1 212 266 0191

E-mail: jmorakis@mgroupsc.com

Source: QS Energy, Inc.