

March 31, 2017



Incoming QS Energy CEO and Chairman Jason Lane's Letter to Shareholders and Board of Directors

SANTA BARBARA, CA -- (Marketwired) -- 03/31/17 -- [QS Energy, Inc.](#) (the "Company") (OTCQB: QSEP) is a developer of integrated technology solutions for the energy industry. The following is a statement to the Company's shareholders, Board of Directors, and QS Energy collaborators and customers from Mr. Jason Lane, newly appointed Chief Executive Officer and Chairman.

To Our Board Members and Shareholders,

This month I had the distinct privilege of being invited to step into the role of Chief Executive Officer and Chairman of the Board of QS Energy, Inc. In accepting, I'd like to express how honored I am to have been chosen to take the helm of the Company at this important juncture. I view this responsibility as a sacred trust and with the fullest understanding of my duty to ensure the continuation of QS Energy's core objectives, which are as follows:

To expeditiously bring our family of AOT (Applied Oil Technology) industrial hardware systems to market; to create further shareholder value; to opportunistically pursue the Company's mission of delivering game-changing technologies to the global energy industry; and to explore revenue-generating oil and gas asset acquisition opportunities.

It is with a strong degree of hopeful enthusiasm and humble regard for QS Energy's history, its extensive portfolio of licenses and patents, and its unique positioning as a vendor of high value industrial hardware that I join the organization. In doing so, I look forward with great anticipation to the opportunities and challenges before us as a trusted supplier of independently tested and science-based flow improvement solutions to leading producers and transporters of crude oil.

At the outset, I must express my appreciation to Gregory Bigger and the Board of Directors for their confidence in selecting me. Over the past two years I have had the pleasure of becoming well acquainted with Mr. Bigger and the exceptional members of the QS Energy board. For this reason, among many others, I am particularly grateful for this opportunity. From my initial conversations with them to the present day I have unfailingly been impressed by their dedication to the development and commercialization of QS Energy technologies and absolute conviction in ensuring the Company's portfolio of licenses and patents deliver greater efficiencies to the industry's global pipeline infrastructure.

As a native-born Texan and veteran of the energy industry, I unabashedly have a high regard for the people, companies and investors involved in the U.S. and worldwide energy sector. During my years as a leaseholder, operator and developer of hundreds of thousands of acres of oil and gas properties, I have seen firsthand how integral our industry is for the global economy. In my view, there is no higher calling or more noble undertaking than

supplying the global markets with the hydrocarbons and natural gas that power its machines, fuel its vehicles and light its cities. Our shareholders, Board Members and collaborators have these ideals in common with us as well as our unwavering commitment to developing reliable and efficacious hardware systems which enhance the profitability of our customers while providing them with technology which supports their commitment to environmentally responsible practices. We thank you for joining us on this journey and salute your fortitude for supporting our mission in the world's largest, but often volatile, industry.

It is my conviction that QS Energy can and must play a valued and vital role in the efficient movement of hydrocarbon from wellhead to market within the massive upstream and midstream sectors. Over the past four years Mr. Bigger and his team have primed the pump for potential commercial use of AOT in many of the highest volume crude oil producing regions. Moving forward, we intend to build upon these existing inroads to pursue every identifiable opportunity to establish a leadership position in the commercial use of electrical fields to reduce viscosity, improve flow volume, reduce chemical additive usage, and optimize the performance of crude oil pipelines.

In the days ahead, it is my intention to become well acquainted with you, our shareholders, and to offer my best counsel and guidance to our employees while continuing QS Energy's vitally important collaborations with our supply chain partners and those within the industry who have made invaluable contributions to the Company's mission. Above all else, as CEO and Chairman it is my goal to continue to meet the high standards of customer engagement, technical support and engineering innovation set by Mr. Bigger, our engineering team, and contracted fabricators over the past three years since the initial beta installation of an AOT system on a commercial pipeline.

To our loyal shareholders, new Board Member and my investor partners, I thank you for your trust and confidence. I join with you in supporting our mission to establish the Company as a trusted supplier to the energy sector and look forward to your comments, contributions and involvement as a valued part of the QS Energy family.

Sincerely,

Jason Lane
CEO and Chairman of the Board
QS Energy, Inc.
Houston, Texas

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

About AOT (Applied Oil Technology)

Developed in partnership with scientists at Temple University in Philadelphia, AOT (Applied Oil Technology) is the energy industry's first crude oil pipeline flow improvement solution 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 over 30 engineering teams at 19 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 the premiere solution for improving the profit margins of producers and transporters during today's economically challenging period of low spot prices and supply surplus.

About QS Energy, Inc.

[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 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

QS Energy, Inc.

Tel: +1 805 845-3581

E-mail: investor@QSEnergy.com

Source: QS Energy, Inc.