

March 31, 2017



QS Energy Announces Energy Industry Veteran Jason Lane as Incoming Chief Executive Officer and Chairman of the Board

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 shareholder update from Gregory M. Bigger, Chief Executive Officer and Chairman of QS Energy.

To Our Board Members and Shareholders,

As you know, the Company's activities have been tightly focused on the commercialization of our AOT technology. In addition to value engineering the hardware from the ground up, and in doing so improving impedance 100% and greatly enhancing its efficacy, we have broadened the range of crude oil it can treat and increased its practical applications within the upstream and midstream sectors. It has been a demanding journey, but thanks to the dedication of our team and outstanding Board, I believe we are poised to realize our goal of making a significant contribution to the energy industry's relentless drive to more efficiently and cost-effectively transport crude oil to market.

With the second quarter of 2017 upon us, I'm pleased to confirm that QS Energy is continuing in its efforts to commercialize and secure new opportunities for AOT. Since the re-tooling of our hardware in late 2015 and throughout 2016, we have worked tirelessly to expand our engagements with customers and collaborators interested in benefitting from the use of electrorheology to enhance the flow of crude oil within the global pipeline infrastructure.

Against any measure, I believe we have achieved much during the past three years I have led QS Energy as Chief Executive Officer and Chairman. With further customer-underwritten beta deployments and commercial testing installations of AOT under review in several markets, the Company has reached an important inflection point as a supplier to the global energy sector. To continue in our efforts to maximize the commercial potential of our patented technology and ensure the highest degree of shareholder value moving forward, we are transitioning to a new Chief Executive Officer and Chairman, and a new member of the Board of Directors, as part of our strategic succession plan.

Following extensive review of several candidates and multiple capitalization options which best represent the interests of our shareholders, I am pleased to announce Mr. Jason Lane as incoming CEO and Chairman of QS Energy. Mr. Lane comes to us with a strong industry track record, specifically in the acquisition, leasing and royalty management of oil and gas and mineral rights. As CEO and founder of JBL Royalty Company, Jason has produced substantial value for investors with his expertise in the areas of capitalization, procurement

and management of energy-related partnerships and joint ventures. Additionally, in his capacity as CEO of JBL Energy Partners, an independent oil and gas exploration and production company, he has been responsible for developing many early stage exploration and extraction projects throughout the East Texas Basin and Gulf Coast. Please join us in welcoming Mr. Lane and our new Board member, Dr. Eric Bunting.

Working with the Board it has been my privilege to facilitate a seamless and expeditious transition of the CEO and Chairman's role and provide the information and materials necessary to bring our Board members up to speed. In formulating our ongoing succession planning efforts, my single greatest goal is that QS Energy have every opportunity possible to be even more successful during the next phase of development and growth.

I am extremely gratified of the role I believe we have played in changing the way the oil and gas industry views disruptive technologies, specifically in meeting the challenge of viscosity reduction. In partnering with Temple University and developing AOT as a potential commercially-viable system to improve pipeline performance, we believe we have fundamentally shifted the traditional perception of flow improvement strategies and will continue to demonstrate the value of AOT as an alternative to the exclusive reliance on chemical additives to optimize the transport of crude oil.

As I look ahead, I'm confident in our position, strategy, and growth prospects, along with the commercialization potential of our innovative technology portfolio. Most importantly, I am secure in the knowledge that Jason Lane, our newly hired CEO and Chairman, is the right leader to drive QS Energy's success going forward. Mr. Lane's ability to raise capital coupled with his decades long experience in the oil and gas industry and extensive personal network is unparalleled. I believe that not only will his standing within the energy sector immediately benefit our company and our shareholders but his executive leadership team and Board of Directors are eminently qualified to build upon the foundation we have created for our disruptive technology portfolio.

I believe that in the months to come under Jason's guidance and with the continued support of our loyal shareholders, the commercialization of AOT and its potential for widespread adoption throughout the energy industry will be fully explored. I'm personally delighted at this prospect and look forward to, as a fellow shareholder, this potential eventuality. My team and I have had the distinct pleasure in bringing this technology forward from lab to prototype testing in commercial installations. With this succession, I believe Jason Lane will bring additional capital, contacts and other capabilities that should accelerate the development and adoption of our technology portfolio by leading producers and transporters.

Please join me in supporting Jason and our talented employees, whose passion and energy are diligently furthering the QS Energy mission of securing our reputation as a trusted vendor of high value solutions to the industry. I would also like to take this opportunity to thank you, our shareholders, for your allegiance and support during my three years as Chairman, CEO and five years as CFO. It has been an honor and a privilege to serve you. I have greatly valued and enjoyed engaging with you over this period and I'm looking forward to QS Energy's future success.

I am both proud and humbled by what the QS Energy family has accomplished over the past five years. It goes without saying that I'm extraordinarily grateful for the opportunity to have served the Board of Directors as well as our shareholders. It is with extreme honor and

esteem that I thank our Directors, our valued employees, shareholders, Temple University's Dr. Rongjia Tao, Stephen Nappi, our professional advisers, the U.S. DOE, our supply chain partners and the many consultants who have assisted in moving this company forward over the past several years. Thank you all so very much.

It has been an extraordinary and transformational journey, but the next chapter promises to be even more exciting. As a shareholder and fervent supporter of the U.S. and global energy industry, I'm looking forward to the bright future ahead for QS Energy, its stakeholders, customers, and collaborators.

Sincerely,

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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: <http://www.qsenergy.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.](http://www.QSEnergy.com) (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

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Source: QS Energy, Inc.