

## 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 addition to its continued focus on its technology offerings, QS Energy looks to make accretive acquisitions of complementary entities or product lines in the oil & gas sector through its wholly-owned subsidiary, QS Energy Pool.

## IR CONTACT

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## TRADING/MARKET STATISTICS

(AS OF 9/10/15)

- **Ticker/Exchange:** OTCQX: QSEP
- **Share Price:** \$0.243
- **Shares Outstanding:** 183.17MM
- **Market Capitalization:** \$44.51MM
- **52-Week High:** \$0.57
- **52-Week Low:** \$0.21

## RECENT HEADLINES & EVENTS

### September 8, 2015

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

### August 11, 2015

Save the World Air, Inc. D/B/A STWA Announces Corporate Name Change to QS Energy, Inc.

### July 20, 2015

STWA Launches Special Purpose Vehicle — QS Energy Pool — to Pursue Acquisition

## KEY PRODUCT OFFERINGS

### Optimizing the Global Energy Industry's Crude Oil Pipeline Infrastructure

QS Energy has developed two patent-protected technologies to optimize crude oil transport through pipelines. The first, our flagship product AOT™ (Applied Oil Technology), reduces the viscosity of oil by applying a high-intensity electrical field to oil while in transit, allowing pipelines to operate at a lower pressure and transport crude oil more efficiently. The second, QS Energy Joule Heat, a compact system for directly heating oil within pipelines at an estimated 100% better energy efficiency than conventional trace heating.

#### Applied Oil Technology (AOT)

AOT delivers measurable pipeline performance benefits, including:

- Increased maximum flow rates
- Reduced pump station power consumption
- Lowers operating pressure
- Bottleneck and chokepoint prevention
- Lower overall cost structure and ROI for operators and transporters

#### Joule Heat

Early tests indicate that Joule Heat delivers better performance and greater efficiencies at a lower operating cost:

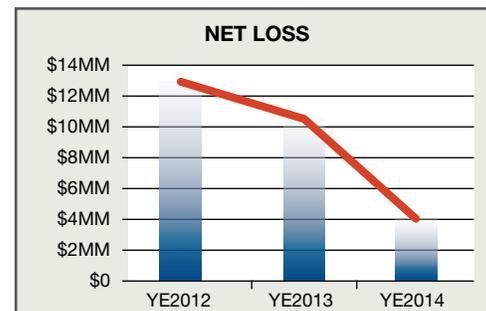
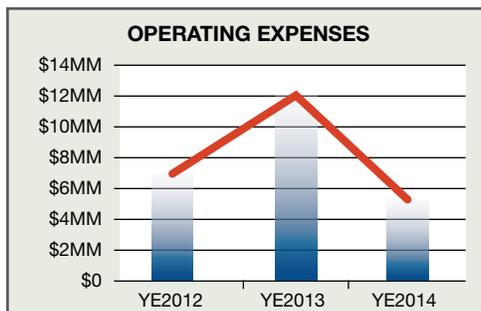
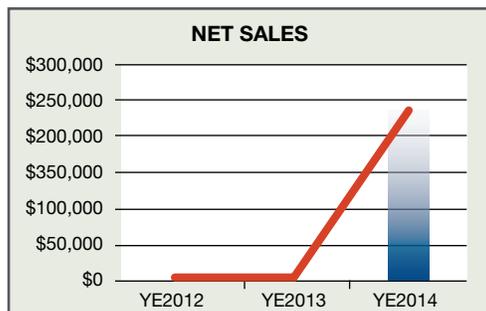
- Delivers optimal heat conductivity
- Heats oil directly and uniformly
- Compact form factor, highly adaptable
- Plug and deploy anywhere
- Estimated to be twice as efficient as existing technologies

### "Lowering the overall cost structure and generating ROI for operators and transporters"

For more information on our key offerings please see here: [AOT](#) [Joule Heat](#)

## RECENT FINANCIAL PERFORMANCE (FY14 ENDED DECEMBER 31, 2014)

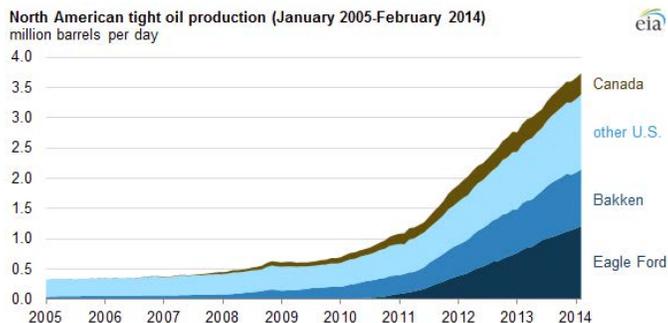
- **Revenues:** \$240,000
- **Operating Expenses:** \$4.2MM
- **Operating Income (Loss):** (\$3.9MM)
- **Net Income (Loss):** (\$4.0MM)



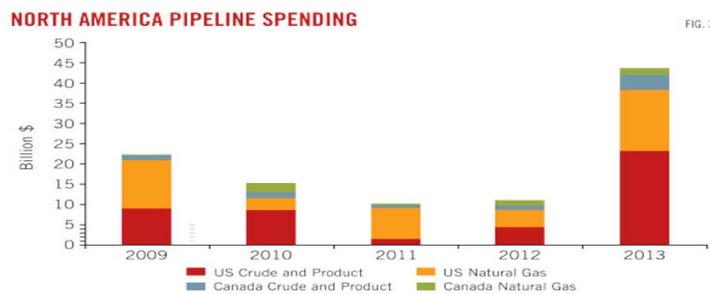
QS Energy has been a pre-revenue technology innovator since its inception and is now in the process of commercializing its products for the oil & gas and transportation industries. The Company has focused on strategically deploying resources in its R&D programs to enhance its technology platform, and develop systems that reduce CO2 emissions, while lowering its fixed expenses to improve bottom-line performance.

**COMPELLING MARKET OPPORTUNITY**

Since 2007 the energy industry has experienced rapid growth in upstream production. "Tight oil" recovery from a growing number of shale formations in North America and overseas has greatly surpassed industry pipeline capacity.



Investment in pipeline infrastructure continues to grow to accommodate production. Between 2014 and 2020, an average of greater than \$80 billion will be invested annually in U.S. midstream and downstream petroleum infrastructure. (Source: American Petroleum Institute, "IHS Downstream Energy Expanded Production Case" – April 2013)



**Poised to take advantage of compelling market opportunities.** From our first AOT prototype field test in 2011, to our AOT commercial pipeline field test in China in 2012, to our AOT commercial deployments with two of the largest operators in North America in 2014 into 2015, we are now at the cusp of recognizing the benefits of our investments related to AOT. We also continue to invest in Joule Heat and other related technologies given continued market demand for new heating technologies.

**KEY 2013-2014 MILESTONES**

QS Energy has been focused on the continued build-out of its technology, taking AOT from the lab into the field, and strengthening its management team and BoD in light of anticipated growth over the coming years.

- Stock upgraded from OTCQB to OTCQX; Company certified as accelerated SEC filer
- First company revenues: \$240,000 from AOT Equipment Lease
- Decreased operating expenses by 42% during last 3 quarters; reduced cash expenses by 33% during same period
- Reconstitution of the Board of Directors with independent board members
- Successful AOT beta test with \$35B pipeline operator on primary mid-continent line
- Refinement of AOT design and functionality through field testing and data analysis
- Lease agreement for AOT deployment on principle Eagle Ford Formation pipeline
- Fabrication of Joule Heat, diversifying presence into large trace heating sector
- Beta test agreement signed to deploy Joule Heat on pipeline in Uintah Basin, Utah

**PARALLEL 2015 GROWTH STRATEGIES FOR MAXIMUM VALUE CREATION**

**Organic growth through commercialization of product portfolio**

- **AOT Commercialization:** Installation on high volume condensate line serving Eagle Ford Formation four AOT vessels reconditioned and prepped for deployment; proposals for AOT deployments with operators in Middle East, Europe, Africa; NDAs signed with pipeline operators in six major oil transportation corridors.
- **Joule Heat Development:** Continued efficacy testing and field beta deployment; installation in Uintah Basin (Utah) for heavy, waxy crude/cold weather testing protocol; laboratory testing of Joule Heat to be conducted by highly respected Southern Research Institute; ongoing product design refinements and model offshoots for additional industry applications.

**Growth through opportunistic and synergistic acquisition**

- **Corporate and product additions/advancements:** QS Energy's wholly-owned subsidiary, QS Energy Pool, actively deploying a strategy of acquiring accretive and synergistic, undervalued entities or product lines that are complementary to the Company's existing technology portfolio.

**Strengthen capital structure in preparation for expected growth**

- **Balance Sheet and Capital Structure:** Company has engaged a leading, U.S.-based boutique investment bank to pursue financing in support of the Company's parallel growth strategies to strengthen its balance sheet and provide additional financing instruments to expedite its commercialization strategy for AOT, its development strategy for Joule Heat, and to move on other synergistic investments, whether internal or for potential M&A through QS Energy Pool.

**INVESTMENT CONSIDERATIONS — POISED FOR RAPID VALUE CREATION**

- **Rapidly Expanding Target Market**
- **Broad Industry Application**
- **First Mover Advantage**
- **Proven Ability to Execute**
- **Strong Growth Potential**
- **Approved Vendor Status**