

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 4, 2020

QS Energy, Inc.

(Exact Name of Registrant as Specified in Charter)

Nevada
(State or other jurisdiction
of incorporation)

0-29185
(Commission File
Number)

52-2088326
(IRS Employer
Identification No.)

23902 FM 2978
Tomball, Texas
(Address of principal executive offices)

77375
(Zip Code)

Registrant's telephone number, including area code: (805) 845-3581

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Exchange Act: None.

Title of each Class	Trading Symbol	Name of each exchange on which registered
N/A	N/A	N/A

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Items 7.01 (Regulation FD Disclosure) and
Item 8.01 (Other Events)**

On March 4, 2020, the Company updated its website at www.qsenergy.com, under the link “Recent Updates.” The update concerns the current status of the demonstration testing of the Company’s AOT technology. A copy of the website update is attached hereto as Exhibit 99.1.

The information set forth in this Current Report on Form 8-K, and the exhibit hereto is not to be deemed to be “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that Section, nor shall it be incorporated by reference into a filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such a filing. This Current Report on Form 8-K (including the exhibit hereto) shall not be deemed an admission as to the materiality of any information required to be disclosed solely to satisfy the requirements of Items 7.01 and 8.01.

Forward-Looking Statements

The Registrant cautions you that statements included in this Current Report on Form 8-K (including the exhibit hereto) that are not a description of historical facts are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negatives of these terms or other similar expressions. These statements are based on current expectations, estimates and projections about our business based in part on assumptions made by management. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may, and are likely to, differ materially from what is expressed or forecasted in the forward-looking statements due to numerous factors, including those set forth our periodic reports filed with the SEC. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof, and the Registrant undertakes no obligation to revise or update this report to reflect events or circumstances after the date hereof. All forward-looking statements are qualified in their entirety by this cautionary statement. This caution is made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
99.1	Website Recent Update

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 4, 2020

QS ENERGY, INC.

By: /s/ Michael McMullen

Name: Michael McMullen

Title: CFO



March 4, 2020

Source: <https://qsenergy.com/updates>

LATEST UPDATES AND INFORMATION

Some of the statements on this web page may constitute forward-looking statements under federal securities laws. Please visit the following link for our complete cautionary forward-looking statement: <https://www.qsenergy.com/site-info/disclaimer>. You should read all updates and press releases in the context of our SEC filings, including our Form 10K filing of April 1, 2019, which can be accessed on our website and at <https://ir.qsenergy.com/annual-reports>. All updates on this web page are intended as general summaries, current as-of the referenced date. For full context, we urge you to read all referenced updates and press releases. Nothing contained herein constitutes an offer to sell, nor a solicitation to buy, our securities.



March 4, 2020: Over the past few weeks, we have been working to resolve a continuing electrical issue with our AOT demonstration equipment. Although we have made progress and believe this technical issue can be resolved, the system continues to be non-operational under normal pipeline operating conditions.

As reported in previous updates, the AOT system has experienced shutdowns during the commissioning process. In **December 2019**, after installing a modified grid pack and new high-capacity power supply, the system shut down presenting with an electrical short which was determined to be due to damage to the system's internal grid pack likely incurred during installation. After repairing and re-installing the modified grid pack in **January 2020**, the system shut down again during commissioning presenting with error conditions similar to the December 2019 failure. At that time, based on external inspections and on-site testing, our engineers suspected the grid pack had again been damaged during re-installation and that such suspected damage was the most likely cause of the electrical short circuit. As reported in our **January 24, 2020** web page update, it was determined at that time the best course of action would be to remove the modified grid pack and re-install the original grid pack which had previously been installed multiple times without sustaining damage, and perform a detailed inspection of the modified grid pack in an effort to determine the cause of the electrical short circuit.

Executing this plan, our team removed the modified grid pack and re-installed the original grid pack assembly in the AOT. After removal, our engineers performed a detailed inspection of the modified grid pack. Inconsistent with our expectations, no damage to the modified grid pack was found during this inspection, leaving the cause of the most recent electrical short circuit undiagnosed.

Over the past few weeks, we have tested and attempted to operate the AOT under a variety of conditions. We have been able to bring the system up to high voltage under static "shut-in" conditions; however, the system continues to shut down due to an electrical short circuit when operated under pressure. In simple terms, this means we can flood the system with crude oil, shut-in the system by closing the intake and outtake valves isolating the system from the pipeline's operating pressure, and power up the system in excess of 10,000 volts. Once the valves are opened and the system is subjected to the pipeline's operating pressure, the system develops an electrical short circuit and shuts down.

As the presence of high pressure appears to trigger the short circuit, it is unlikely the fault is in the grid pack assembly as this component is fully submerged in crude oil and is generally subjected to equal pressure on all components. The electrical short is more likely developing in the electrical connection assembly built into the flange at the top of the pressure vessel, which is subjected to high pressure under normal operating conditions. Unfortunately, this electrical connection assembly cannot be inspected without destroying the assembly itself. Instead, our engineers have developed a plan to replace the installed electrical connection assembly with an assembly from inventory which we plan to rebuild prior to installation.

As part of an ongoing reliability-engineering effort, our engineers had been working on incremental modifications to improve electrical isolation within the electrical connection assembly. These previously developed plans have allowed us to move quickly with vendors and present an expedited plan to the pipeline operator. We are in the process of finalizing the timelines and budget for this plan based on vendor backlog for each of the tasks. Based on current estimates, this process may take approximately six weeks. This schedule may vary depending on vendor backlogs and other factors which may be out of our control.

Our engineers have presented our plan to rebuild and the electrical connection assembly to pipeline management. Pipeline management has expressed frustration and concern over the continued delays and current status of the demonstration project. Last week, our CEO, Jason Lane, met with pipeline management to express our total commitment to this project and discuss plans, schedules and next steps. We heard back from pipeline management this week requesting confirmation of timelines and budget to ensure all parties are clear on plans to move forward.

The Company's ability to continue operations at the demonstration site is dependent upon continued support of pipeline management and our ability to fund continued operations. We can provide no assurances pipeline management will continue to support ongoing work at the demonstration site, or that our plan to rebuild and test the electrical connection assembly will be successful. Because of our inability to fully diagnose the cause of our current electrical problems, we can provide no assurances that we will not face other operational issues after completing a full diagnosis and evaluation of our technology. As disclosed in our SEC filings, we have not yet been able to generate revenue from operations, and Company expenses to date have been funded through the sale of shares of common stock and convertible debt, as well as proceeds from the exercise of stock purchase warrants and options. We will need to raise substantial additional capital through 2020, and beyond, to fund continued work at the demonstration site along with Company operating and capital expenses. We can provide no assurances that additional capital will be available to us, or if it is, that such additional capital will be offered at acceptable terms.