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NEWS RELEASE

QuantumSphere Announces Issuance of U.S. Patent for Next Generation Ammonia Production Technology

Expands intellectual property protection for catalyst technology that improves production efficiencies in the \$100B ammonia chemical market

SANTA ANA, Calif. – March 15, 2016 – [QuantumSphere, Inc.](#) (OTCQB: QSIM), a leading producer of advanced catalyst technologies designed to improve production efficiencies in large-scale industrial chemical processes, today announced that the United States Patent and Trademark Office (USPTO) has granted a key patent to the Company related to its advanced FeNIX™ nanocatalyst accelerator technology. U.S. Patent Number [9,272,920](#) covers claims relating to the application of iron nanocatalysts, applied as a coating onto existing commercial ammonia catalysts, for increased catalytic activity and production efficiency in ammonia synthesis.

Kevin Maloney, President and CEO of QuantumSphere, stated, “We are very pleased that the USPTO has issued this patent which further strengthens our market position to improve production efficiencies in large-scale chemical plants. Our growing intellectual property portfolio, now consisting of ten issued patents, protects our proprietary nanocatalyst manufacturing process as well as the commercial end-use application in ammonia synthesis.”

Ammonia is one of the world’s most critical industrial chemicals, accounting for nearly \$100 billion in annual production. Over 80 percent of ammonia produced is used in agricultural fertilizers for global food production, indirectly supplying more than 50 percent of all protein consumed by humans. The demand for ammonia is expected to increase as the global population grows.

Matthew Griffith, QuantumSphere’s Vice President of Operations, commented, “One key advantage of the FeNIX nanocatalyst coating is that we are enhancing, not replacing, existing technologies all in the form of a drop-in solution that requires no capital expenditure. By increasing the performance of standard commercial catalyst, we offer a competitive advantage to our partners. This means that we are partnering with – not competing with – key industry players.”

Due to superior physical characteristics, including extremely high surface area, QuantumSphere’s FeNIX iron nanocatalyst accelerator coating significantly increases catalytic activity, leading to improved production efficiencies by reducing energy costs or increasing production output.

The production of ammonia is an energy-intensive process that consumes approximately 5 percent of the world’s natural gas supply. According to industry experts, a 5 percent increase in catalytic activity can translate into millions of dollars in additional profits annually for ammonia plant owners and operators. Commercial validation tests in early 2015 by QuantumSphere and a partner demonstrated a 10 to 15 percent increase in catalytic activity and production output – with no modifications to the ammonia production facilities.

QuantumSphere is collaborating on initial commercialization of FeNIX with 95 year-old Swiss-based industry leader and strategic partner, [Casale, S.A.](#) FeNIX commercialization is expected in the second half of 2016. Casale supplies the reactor converter technology responsible for producing nearly 40 percent of the world's ammonia and methanol.

QuantumSphere previously announced the Notice of Allowance for U.S. Patent Number [9,272,920](#) on January 27, 2016.

About QuantumSphere, Inc.

QuantumSphere (QSI) produces high performance nano scale catalysts designed to improve process efficiencies and output in large-scale chemical production facilities (such as Ammonia Synthesis), with the potential to deliver lower costs and greater profits for chemical producers. QSI's products leverage patented processes to produce a unique high surface area catalyst accelerator technology which improves existing commercial catalyst performance. QSI's technology is applicable to hundreds of chemical plants globally, which represent billions of dollars in annual output. QSI common stock is quoted on the OTCQB under the ticker symbol QSIM. For more information, please visit www.qsinano.com.

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Safe Harbor Statement

All statements included or incorporated by reference in this News Release, other than statements or characterizations of historical fact, are "forward-looking statements." Examples of forward-looking statements include, but are not limited to, statements concerning projected sales, costs, expenses and gross margins; our accounting estimates, assumptions and judgments; the prospective demand for our products; the projected growth in our industry; the competitive nature of and anticipated growth in our industry; and our prospective needs for, and the availability of, additional capital. These forward-looking statements are based on our current expectations, estimates, approximations and projections about our industry and business, management's beliefs, and certain assumptions made by us, all of which are subject to change. Forward-looking statements can often be identified by such words as "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "may," "will," "should," "would," "could," "potential," "continue," "ongoing," similar expressions and variations or negatives of these words. These statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, our actual results could differ materially and adversely from those expressed in any forward-looking statements as a result of various factors, some of which are set forth in the "Risk Factors" section of our Report on Form 10-K for the year ended June 30, 2015 filed on September 28, 2015 and updated on our Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2015 filed on February 16, 2016, which could cause our financial results, including our net income or loss or growth in net income or loss to differ materially from prior results, which in turn could, among other things, cause the price of our common stock to fluctuate substantially. These forward-looking statements speak only as of the date of this News Release. We undertake no obligation to revise or update publicly any forward-looking statement for any reason, except as otherwise required by law.