

N2Power, a Division of Qualstar was Awarded \$1.0 Million Customer Order to Ship over the Next Twelve Months

Simi Valley, CA (USA) February 15, 2017 – Qualstar Corporation (NASDAQ: QBAK) announced today that its N2Power Division, an industry leader in the design and manufacturing of compact and highly-efficient power supplies, was awarded a \$1.0 million order from a prestigious gaming customer, to ship over the next twelve months. N2Power provides standard, semi-custom and custom power solutions for many OEM's in various markets.

“The inherent advantages of our power solutions provide OEM designers with valuable increased functionality while reducing thermal loads, cooling requirements and lowering operating costs through very high efficiency ratings,” said Randy Johnson, N2Power’s Director of Sales.

“N2Power is a trusted name in power supplies. N2Power prides itself on superior power solutions, value added engineering capabilities, quality, customer support and flexibility,” said Steve Bronson, Qualstar’s Chief Executive Officer.

For additional information regarding N2Power power supplies, call Shelley Urbina at 805-583-7744 x122. Check our website www.n2power.com for authorized distribution partners.

About Qualstar Corporation

Qualstar, founded in 1984, is a diversified electronics manufacturer specializing in data storage and power supplies. Qualstar is a leading provider of high efficiency and high density power supplies marketed under the N2Power™ brand, and of data storage systems marketed under the Qualstar™ brand. Our N2Power power supply products provide compact and efficient power conversion for a wide variety of industries and applications including, but not limited to telecom, networking, broadcast, industrial, lighting, gaming and test equipment. Our Qualstar data storage products are used to provide highly scalable and reliable solutions to store and retrieve very large quantities of electronic data. Qualstar’s products are known throughout the world for high quality and Simply Reliable™ designs that provide years of trouble-free service. More information is available at www.qualstar.com or www.n2power.com or by phone at 805-583-7744. Connect with Qualstar on LinkedIn or Twitter.

Cautionary Statement Concerning Forward-Looking Statements

Statements used in this press release that relate to future plans, events, financial results, prospects or performance are forward-looking statements as defined under the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements. These forward-looking statements are based upon the current expectations and beliefs of Qualstar’s management and are subject to certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. The information contained in this press release is as of the date of this press release. Notwithstanding changes that may occur with respect to matters relating to any forward looking statements, Qualstar does not expect to, and disclaims any obligation to, publicly update any forward-looking statements whether as a result of new information, future events or otherwise. Qualstar, however, reserves the right to update such statements or any portion thereof at any time for any reason. In particular, the following factors, among others, could cause actual or future results to differ materially from those suggested by the forward-looking statements: Qualstar’s ability to successfully execute on its strategic plan and meet its long-term financial goals; Qualstar’s ability to successfully implement and recognize cost savings; Qualstar’s ability to develop and commercialize new products; industry and customer adoption and acceptance of Qualstar’s new products; Qualstar’s ability to increase sales of its products; the rescheduling or cancellation of customer orders; unexpected shortages of critical components; unexpected product design or quality problems; adverse changes in market demand for Qualstar’s products; increased competition and pricing pressure on Qualstar’s products; and the risks related to actions of activist shareholders, including the amount of related costs.

For further information on these and other cautionary statements, please refer to the risk factors discussed in Qualstar’s filings with the U.S. Securities and Exchange Commission including, but not limited to, Qualstar’s Transition Report on Form 10-KT for the transition period July 1, 2015 to December 31, 2015, the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section of such Form 10-KT, and any

subsequently filed reports. All of Qualstar's filings are available without charge through the SEC's website (www.sec.gov) or from Qualstar's website (www.qualstar.com).

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