

March 7, 2012



## **LG Partners Signs Letter of Intent to Deploy STWA's AOT on Proposed \$2.5 Billion 900 Mile Oil Pipeline in Development**

SANTA BARBARA, CA--(Marketwire -03/07/12)- [STWA, Inc.](#) (OTC.BB: [ZERO.OB](#) - [News](#)) ("STWA" or the "Company"), a developer of [applied solutions](#) for oil and fuel delivery systems in the multi-billion dollar oil pipeline and diesel engine markets, announced today that it has signed a Letter of Intent with LG Partners, LLC, to incorporate STWA's Applied Oil Technology™ (AOT™) oil pipeline efficiency technology into the design and construction of a proposed new non-domestic, multi-national, 900-mile pipeline currently in the planning stage.

LG Partners is currently developing the \$2.5 billion, 900-mile pipeline to transport medium and heavy crude oil to markets currently experiencing a lack of diverse pipeline suppliers. This multinational pipeline is designed to be 42" in diameter, with a transport capacity of 30 to 60 million tons of crude oil per year, or approximately 600,000 to 1.2 million barrels per day.

The LG Partners pipeline development team believes that STWA's AOT™ holds the potential to be of great value to the proposed project's efficient daily operations. Subject to governmental approvals and permits, and LG Partners obtaining the necessary financing to commence and complete construction of the pipeline, LG Partners intends to install AOT™ along the entire length of the pipeline.

Michael B. Leader, LG Partners' Managing Partner and CEO, stated, "It is expected that the AOT™ technology will be central to the future efficient operation of our pipeline. The first test showed improved flow efficiency above 13%, as stated by the United States Department of Energy. We believe that positive efficiency gains of this number or higher have the potential to translate into substantial savings to our pipeline. Power consumption is the single greatest consumable cost to any pipeline operator. Over our projected 900-mile length, such savings promise to represent millions of dollars per year in reduced operating costs. We are excited to have the opportunity to work with such cutting-edge technology such as STWA's AOT™."

Cecil Bond Kyte, STWA's Chairman and CEO added, "We and LG Partners believe that their proposed pipeline under development can potentially benefit greatly from the incorporation of our AOT™ technology. By reducing the viscosity of their crude oil, AOT™'s main feature, it would be possible to reduce the transport costs per ton, per mile for their daily operations. As more and more countries seek to diversify their energy supply chain systems, proposed pipelines such as LG Partners' will surely be moving to the forefront over the next decade. We believe that the adoption of our AOT™ technology may hold the potential to make some of these projects more viable through direct cost per mile reductions generated by viscosity reduction. By making these operations stronger financially, more doors can be unlocked. We

welcome LG Partners as an early adopter interested in the implementation of our technology, and look forward to a bright future together."

#### **About AOT™**

STWA's Applied Oil Technology™ (AOT™) is designed to allow pipeline operators to temporarily reduce the viscosity of the crude oil within their pipeline(s) to reduce the fluid-drag (also known as friction-loss) between the fluid and the pipeline. By reducing the friction loss, pipeline operators' pump systems require less energy to maintain a constant flow rate, thereby directly reducing daily operation costs.

#### **About STWA, Inc.**

STWA, Inc. develops and commercializes energy efficiency technologies that assist in meeting increasing global energy demands, improving the economics of oil extraction and transport, and reducing greenhouse gas emissions. The Company's intellectual property portfolio includes 24 domestic and international patents and patents pending, which have been developed in conjunction with and exclusively licensed from Temple University. STWA's technologies include Applied Oil Technology (AOT™) which improves oil flow through pipelines. AOT™ has been proven in U.S. Department of Energy tests to increase the energy efficiency of oil pipeline pump stations by over 13%. ELEKTRA™ improves diesel engine efficiency for industrial diesel engines, as well as diesel-powered trucks, trains, marine vessels, military fleets and jet turbines. More information including a company Fact Sheet, logos and media articles are available at: <http://www.stwa.com>.

#### **Safe Harbor Statement**

This press release contains information that constitutes forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Any such forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from any future results described within the forward-looking statements. Risk factors that could contribute to such differences include those matters more fully disclosed in the Company's reports filed with the Securities and Exchange Commission. The forward-looking information provided herein represents the Company's estimates as of the date of the press release, and subsequent events and developments may cause the Company's estimates to change. The Company specifically disclaims any obligation to update the forward-looking information in the future. Therefore, this forward-looking information should not be relied upon as representing the Company's estimates of its future financial performance as of any date subsequent to the date of this press release.