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PetroChina R&D Center Issues Plans for STWA's Oil Pipeline Efficiency Technology Phase II Field Loop Testing

Communications From the Oil Conglomerate Detail Timelines and Contingencies for Testing With Largest Oil and Gas Producer and Distributor in China

SANTA BARBARA, CA -- (MARKETWIRE) -- 08/07/12 -- [STWA, Inc.](#) (OTCBB: ZERO) ("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 its commercialization partner China Beijing Heng He Xing Ye Technology Development Co. LTD, (TDC) has received and forwarded to the Company letters from PetroChina Pipeline R&D Center outlining plans for Phase II Field Loop Testing of STWA's AOT™ 1.2v. The letters, dated July 25th, 2012, discuss plans for tests to be conducted at the PetroChina loop line test site in Baodi, a district of [Tianjin](#), China.

STWA CEO Mr. Cecil Bond Kyte stated, "We are proceeding on schedule for testing with PetroChina, the largest oil and gas distributor in China and one of the largest companies in the world. The strong and cooperative relationship that our commercialization partner TDC has with PetroChina is confirmed by the close communications and contingencies being put in place by PetroChina to assure that testing processes are seamless and efficient."

The letters from PetroChina R&D Center to Beijing Heng He Xing Ye Technology Development Co. LTD indicate that the renovation construction to facilitate the installation and testing of the AOT™ 1.2v at the loop line test site in Baodi is expected to be completed near the end of September 2012. Invitations have been extended to experts from the U.S. to visit the test site upon completion of the renovation construction. The groups will be cooperating with PetroChina's Renqiu Oilfield Testing Center, which is located approximately 200 kilometers from Baodi, to undertake on-site pipeline testing. Estimates were made that the installation and testing process would take between two to three weeks. To view the two letters, please visit [PetroChina Letter 1](#) and [PetroChina Letter 2](#).

Mr. Kyte added, "PetroChina's eagerness and commitment toward testing and advancing AOT™ is clearly evidenced first by the initial oil test site identified and now by an additional site secured, which confirms that testing will be completed as soon as possible in a move toward commercialization throughout China."

CPP testing is being conducted in conjunction with STWA's commercialization partner in China, TDC. As per the terms of STWA's [Cooperation Framework Agreement](#), TDC is responsible for the full costs of implementing the testing and certification of AOT™ with CPP.

About PetroChina

PetroChina Company Limited ("PetroChina") is the largest oil and gas producer and distributor, playing a dominant role in the oil and gas industry, in China. It is not only one of the companies with the biggest sales revenue in China, but also one of the largest oil companies in the world. PetroChina was established as a joint stock company with limited liabilities by China National Petroleum Corporation under the Company Law and the Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies on November 5th, 1999. The American Depositary Shares (ADS) and H shares of PetroChina were listed on the New York Stock Exchange on April 6, 2000 (stock code: PTR) and the Stock Exchange of Hong Kong Limited on April 7, 2000 (stock code: 857) respectively. It was listed on Shanghai Stock Exchange on November 5, 2007 (stock code: 601857).

China National Petroleum Corporation (CNPC) is the sole sponsor and controlling shareholder of PetroChina. It is a large petroleum and petrochemical corporate group, established in July 1998, in accordance with the Plan for the Organizations Structure Reform of the State Council. CNPC is a large state-owned enterprise managed by the investment organs authorized by the state and State-owned Assets Supervision and Administration Commission.

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 is designed to improve 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. 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.

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