

STWA Successfully Completes Lab Testing AOT in China & Schedules Field Test for August

SANTA BARBARA, CA -- (MARKETWIRE) -- 06/28/12 -- [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, today announced it has successfully completed lab testing its Applied Oil Technology™ (AOT™) oil pipeline efficiency technology for use in China. This lab test is the first in a three phase process towards full commercial availability of AOT™ in the China pipeline market. Based upon these strong lab test results, STWA is preparing to ship its AOT™ 1.2v to China for field testing, the second in the three stage process, scheduled for late August.

Dr. Rongjia Tao of Temple University, co-developer of STWA's AOT™ technology, conducted the laboratory tests at China Petroleum Pipeline Bureau's (CPP) PetroChina (CNPC) Pipeline Science and Technology R&D Center located in Langfang, China. The center is the sole authority in China that certifies all domestic and foreign products in the pipeline sector. Dr. Tao tested AOT™'s effectiveness in reducing crude oil viscosity on three crude oil samples: Daqing crude oil, Changqing crude oil, and Venezuela crude oil. Each of these varieties of oil is transported via pipelines in China. These test results are expected to yield very specific metrics relevant to the country's pipeline needs.

CPP testing is being conducted in conjunction with STWA's commercialization partner in China, Beijing Heng He Xing Ye Technology Development Company (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.

TDC's General Manager (CEO), Mr. Zhao Ruilin, commented, "AOT™ is a major global technological breakthrough in reducing viscosity of crude oil, as these test results have shown. The technology offers great social and economic impacts. I believe there is a large national demand for AOT™ in China as it will greatly alleviate the high energy consumption issues that are associated with current oil production and transportation in China."

"Our preliminary results from these lab tests in China are extremely encouraging. We are currently finalizing our analysis of the data and intend to publish results in the very near future," said STWA CEO Mr. Cecil Bond Kyte. "We are very confident that CPP will validate that the results have surpassed initial expectations and that CPP will clear us for moving onto the next phase of in-country testing. This next phase involves field testing our AOT™ 1.2v unit, just as we did successfully at the U.S. Department of Energy's Rocky Mountain Oilfield Testing Facility in Casper, Wyoming."

To view the U.S. Department of Energy's test reports on AOT™ please visit:
<http://www.rmotc.doe.gov/testreports.html>

About CPP (CNPC)

China Petroleum Pipeline Bureau (abbreviated as CPP), founded in 1973, is a professional company of China National Petroleum Corporation (CNPC) specializing in pipeline engineering and construction. CPP holds the philosophy of "Unlimited Innovation and Contribution" and pursues the core values of "Challenge, Fine Management, Innovation, Teamwork, Harmony." CPP is dedicated to be China's No. 1 and a world-class international general contractor for pipeline construction, providing service and guarantee the oil & gas strategy channel for China and as an integrated international energy company for the goal of CNPC, while creating wealth and value for owners, employees and society.

<http://cpp.cnpc.com.cn/gdj/en/qy/gk/qyjj.htm>

About CNPC

China National Petroleum Corporation (CNPC) is an integrated international energy company. Based in China, it has oil and gas assets and interests in 30 countries in Africa, Central Asia-Russia, South America, the Middle East and the Asia-Pacific. CNPC is China's largest oil and gas producer and supplier, as well as one of the world's major oilfield service providers and a globally reputed contractor in engineering construction, with businesses covering petroleum exploration & production, natural gas & pipelines, refining & marketing, oilfield services, engineering construction, petroleum equipment manufacturing and new energy development, as well as capital management, finance and insurance services.

<http://www.cnpc.com.cn/en/>

About Beijing Heng He Xing Ye Technology Development Co., Ltd (TDC)

Established in February 2001, Beijing Heng He Xing Ye Technology Development LLC distributes electronic components, IT products and variable-frequency drives (VFD) to the Chinese oil industry. TDC is located in Beijing and has 200 employees. TDC's clients are publicly listed companies who nationally service various forms of industrial control systems including power controls, digital communications and automotive electronics. TDC's clients are technology leaders with sizeable market shares and recognized brand names. TDC's business scope includes assembly, system integration of Variable Frequency Regulation equipment, auxiliary parts manufacturing, Agent services and distribution of leading brands. Pre-sales services: engineering plan, system layout verification, feasibility study. Post-sales services: trouble shooting, on-site engineering services, testing & analysis. TDC's clients include Avnet, MetaTech, Arrow, IBM, Sun Microsystems, Hewlett-Packard, Oracle, SH-Liangxin, Schneider Electric, and Danfoss.

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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