

STWA Ships Oil Pipeline Efficiency Unit to PetroChina CPP/CNPC for Phase II Testing

Shipment Signifies the 'Go Forward' Point of Stage 2 in a 3 Stage Testing Process Required for Commercialization of AOT(TM) in the Largest Energy Consuming Nation in the World

SANTA BARBARA, CA -- (MARKETWIRE) -- 07/31/12 -- [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 groundbreaking oil pipeline energy-efficiency system has been loaded for shipment to China. The unit is being transported to begin Phase II of the three-Phase commercialization acceptance process as mandated by China Petroleum Pipeline Administration (CPP). The testing is to be conducted at the CPP/CNPC PetroChina Pipeline R&D Center in Langfang, China.

The AOT™ 1.2v being shipped to Langfang, China is the same unit used for testing with the U.S. Department of Energy (US DOE) at the Rocky Mountain Oilfield Testing Center (RMOTC). This prototype unit generated successful test data at the U.S. test facility beginning in October 2011.

AOT 1.2v has begun its 5-week journey to cross the Pacific, landing in Langfang, China at the China Petroleum Pipeline Administration's Pipeline Flow Assurance Test Center in Langfang, where CPP will begin Field Loop Tests on STWA's system.

STWA recently announced the successful completion of Phase I of the commercialization acceptance process of Laboratory Testing conducted at the CPP PetroChina Pipeline R&D Center. AOT™'s effectiveness in reducing the viscosity of three of the most widely consumed crude oil grades in China was evaluated. The upcoming Phase II Field Loop test is to be followed by Phase III, the final stage, which is a commercial implementation Pilot Program.

"We are proceeding on schedule with regulatory approvals in China. Interactions with our commercialization partner, TDC, and the Chinese regulatory body, CPP, have been very productive and constructive. We look forward to AOT™'s arrival in China and the successful implementation of our Field Loop Test. In anticipation of the Phase II test's completion, TDC has already identified a 300 kilometer, 27 inch pipeline where AOT™ may be installed for the final Phase III commercial implementation Pilot Program," stated STWA CEO Mr. Cecil Bond Kyte.

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 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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