

# Commercial Pipeline Field Testing in China Confirms Laboratory Results of STWA's Oil Pipeline Efficiency Technology

## AOT(TM) 1.3vx Completes Phase II Testing on Active Commercial Pipeline Located on the Daqing Oilfield in Northeastern China

SANTA BARBARA, CA -- (MARKETWIRE) -- 11/13/12 -- [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 the Company's groundbreaking oil pipeline energy-efficiency system known as Applied Oil Technology™, (AOT™) has completed its Phase II testing in China operating for a full week on an active commercial production pipeline located in Daqing, Heilongjian Province, Northeastern China, near the Russian Siberian border and outer Mongolia.

The Company was pleased with the testing and will release third party results from test partners in China if and when they are authorized to be published. "The reports are saying that after initial setup, the AOT™ pre-production prototype, designated as version 1.3vx due to modifications for this specific application, performed as designed at continuous power duty for a week straight, 24 hours per day, starting and stopping on demand without incident," stated STWA CEO Mr. Cecil Bond Kyte. "The test reports coming in from the oilfield are confirmation that the high-temperature operation of the device successfully mirrored the laboratory test results generated in the lab during September testing. We at STWA would like to thank our Chinese affiliates for the collaboration and joint efforts to make this commercial installation and testing a success." STWA spearheaded the project, providing considerable time and resources, a ground installation supervisory and testing crew, detailed parameters, procedures and protocols, and all logistics to transport the USA-made AOT™ 1.3vx prototype and necessary installation equipment from the United States to the [Daqing Oilfield](#) in northeastern China."

Testing was conducted as a joint effort between STWA, Temple University, Heng He Xing Ye Technology Development Corporation (TDC), a Chinese government pipeline agency, and Daqing Oilfield Limited Company (DOC).

This Phase II field-testing was originally scheduled to be conducted as a flow-loop test at the CPP pipeline flow assurance facility in Tianjin, China, 86 miles southeast of Beijing. The testing location was modified by our Chinese affiliates and moved from the flow loop to an active production oilfield pipeline, located at the Daqing oilfield 900 miles northeast of Beijing. The location change was initiated in order to accelerate the testing and acceptance procedures of the new technology for national use. The Daqing oilfield is operated by Daqing Oilfield Limited Company, and is China's largest oilfield, currently ranked in the top five largest oilfields in the world.

Based on the site change for the testing location, certain logistical modifications needed to be made by STWA. The U.S. testing team scheduled their trip to arrive in Mainland China the week of October 22, 2012, to assist with installation and testing. STWA executive management followed the testing team for meetings in China and returned to the corporate offices from China on November 8, 2012.

Based on the successful testing of AOT™ with the United States Department of Energy at the Rocky Mountain Oilfield Testing Center throughout 2011 and early 2012 as well as recent commercial interest in the technology, STWA established installation instructions and an operator's manual. In addition to this, the team created a detailed set of testing parameters, protocols, and procedures for the testing in China. The purpose was to analyze and compare the test data and results generated by the field-scale prototype as further confirmation of the high-temperature testing conducted at Temple University with samples of the crude from the particular test field.

The original Chinese testing parameters conducted at the CPP Flow Assurance R&D Center during June, 2012, were conducted at low-temperature ranges for confirmation of the scientific effect on the oil. The high-temperature testing at Temple University during September 2012, was to confirm the scientific effect at the operating temperatures experienced during full-scale operation in the particular oilfield. The commercial active pipeline testing conducted at the Daqing oilfield in October 2012, was to confirm the scientific effect's parity from laboratory testing to the commercial operating parameters as experienced in the field. The parity was successful.

The testing of the AOT™ 1.3vx prototype successfully demonstrated similar viscosity reduction results generated by the Temple University laboratory high-temperature, 55°C (131°F) to 90°C (194°F) testing in September, 2012. The particular oil from the Daqing oilfield is heated to the high temperatures during production and transportation to counteract the high viscosity nature of the crude oil, which turns to solid form at temperatures below 33°C (91.4°F). The successful testing results confirm the accuracy of the laboratory viscosity reduction results for the particular crude grade, at the desired operating temperatures as experienced in the field.

Due to the successful recent Phase II field testing conducted by the parties on the Daqing oilfield active commercial pipeline, the Chinese government pipeline agency has authorized STWA to continue testing in the People's Republic of China as part of the mutually agreed upon third and final testing phase. Part of this agreement is for the Chinese agency to send a variety of oil samples at various APIs to Temple University for additional laboratory testing for further market validation.

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

STWA, Inc. develops and commercializes energy efficiency technologies that assist in meeting increasing global energy demands and improving the economics of oil extraction and transport. The Company's intellectual property portfolio includes 41 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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