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STWA Signs Five-Year Agreement With United States Department of Energy

SANTA BARBARA, CA--(Marketwire -02/29/12)- [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 new five-year operating agreement with the United States Department of Energy's Rocky Mountain Oilfield Testing Center. This five-year agreement extends through the end of 2016.

In 2011, together with the United States Department of Energy's Rocky Mountain Oilfield Testing Center, STWA designed and retrofitted a purpose-built 4.5 mile underground oil pipeline testing facility in order to test the Company's Applied Oil Technology™ (AOT™) under simulated real-world conditions. This pipeline testing facility is the proving grounds for the Company's new viscosity reduction technology. Recent testing conducted in October 2011 on the Company's AOT™ technology yielded pipeline operational efficiency improvements of over 13%, marking a significant milestone achievement for the Company.

The associated press release related to the test can be found at the following link: <http://www.marketwire.com/press-release/recent-test-results-published-us-doe-rmotc-states-stwas-new-technology-delivers-increases-otcbb-zero-1577738.htm>.

The purpose of the new operating agreement is to continue field testing of the Company's technology and its future iterations for the next five years. The test results yielded by this further testing are to be published via the United States Department of Energy. The tests are to confirm the Company's technology's effectiveness in improving oil pipeline operational efficiencies. The testing will also evaluate advancements to, and versions of, AOT™ or any other technologies under development by STWA.

"By continuing our collaboration with the United States Department of Energy and field testing our technologies at the Rocky Mountain Oilfield Testing Center, we validate the effectiveness of our technology for the key decision makers in both industry and government," stated STWA Chairman and CEO, Mr. Cecil Bond Kyte.

"We believe that AOT™'s intended benefit, to reduce the energy required to transport crude oil through commercial pipelines, aligns with the Rocky Mountain Oilfield Testing Center's mission to assist in the development and commercialization of energy efficient and environmentally friendly technologies that address our nation's critical energy challenges. Our aligned goals have led to a very productive cooperation that will extend for years to come," concluded Kyte.

About AOT™

STWA's Applied Oil Technology™ (AOT™) allows 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.