

STWA Signs Cooperation Framework Agreement Towards Commercialization in China

SANTA BARBARA, CA--(Marketwire -03/15/12)- [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, today announced it has advanced its Applied Oil Technology™ (AOT™) oil pipeline efficiency technology's commercialization in China, the largest growth market for oil consumption in the world (Source: EIA.gov).

Mr. Cecil Bond Kyte, CEO of STWA, together with the Company's project team (collectively the "Project Team"), conducted a series of high-level meetings in China during the week of March 4 to 10, 2012. STWA's China partner, Beijing Heng He Xing Ye Technology Development (TDC), arranged meetings for the Project Team at the highest levels of decision making in China's oil pipeline industry. Meetings and achievements included:

1. China's Department of Oil and Natural Gas, National Energy Administration

On March 6, the Project Team accompanied by Mr. Zhao Ruilin, the General Manager (CEO) of TDC, presented AOT™ to the Department of Oil and Natural Gas, National Energy Administration's Director General, Mr. Zhang Yuqing and Deputy Division Chief, Mr. Dong Wancheng. The Department of Oil and Natural Gas is the department in charge of China's petroleum industry. Officials there were impressed with AOT™ and stated their intention to introduce the oil pipeline efficiency technology to China's petroleum vendors as a solution that can improve efficiencies and help the industry achieve the 16% reduction in energy consumption that is mandated by the government of China.

2. China Petroleum Pipeline Administration, PetroChina Pipeline R&D Centre

On March 8, the Project Team, accompanied by Mr. Zhao Ruilin, the General Manager (CEO) of TDC, met with key officials at the PetroChina Pipeline R&D Centre (the "R&D Centre"). The R&D Centre operates under the administration of China Petroleum Pipeline Administration and is the sole authority in China that certifies all domestic and foreign products in the pipeline sector. The Project Team had extensive discussions and exchanged views with experts at the R&D Centre, who highly commended AOT™ and unanimously agreed that upon certification, they expect AOT™ will make a great contribution to oil pipeline transportation and have significant market potential in China.

3. TDC Collaboration Framework Agreement

On March 9, STWA signed a Collaboration Framework Agreement with TDC. This Collaboration Framework Agreement expands upon the previously announced Letter of Intent signed between STWA and TDC in December of 2011. This marks a major step in

promoting and developing the market in China for AOT™.

STWA and TDC will work diligently towards the next milestone of carrying out the testing required for certification in China. The certification process through the China Petroleum Pipeline Administration is similar to the testing STWA has already successfully conducted with the U.S. Department of Energy.

Upon certification, AOT™ will be commercially available in China. STWA and TDC have set a pricing structure and are ready for commercial orders and delivery of systems.

STWA Chairman and CEO Cecil Bond Kyte stated, "Entering this Cooperative Framework Agreement with TDC marks a major milestone that exceeded our expectations. We would like to thank our trusted in-country partner Mr. Zhao and the TDC team for their exceptional hospitality and care for us during this important trip. We were impressed with the immediate access we had at the top levels of the oil pipeline infrastructure as well as the serious interest and collaboration we experienced with these key decision making individuals and organizations. I believe we could not possibly be better positioned in the China market."

"We are optimistic about our process and timeline to commercialize AOT™ in the fastest growing oil consuming nation in the world. Success in the China market not only has the potential to transform the value of our Company, it can also create a global impact on energy efficiency and greenhouse gas emissions. We believe much of the world is watching China and will adopt technologies that are successfully implemented in this key Asian market."

About AOT™

STWA's Applied Oil Technology™ (AOT™) is designed to allow 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 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. (OTC.BB: [ZERO.OB - News](#)) 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.

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