

STWA Provides Operations Briefing on Build-Out of RMOTC Facility

SANTA BARBARA, CA--(Marketwire - Jun 20, 2011) - [STWA, Inc.](#) (OTCBB: ZERO) ("STWA" or the "Company"), an innovative company creating technology focused on energy efficiency of large-scale energy production and improved fuel economy for diesel fleets, today provided the following update related to operations, testing facility build-out and prototype development at the [U.S. Department of Energy's \(DOE\)](#) Rocky Mountain Oilfield Testing Center ([RMOTC](#)).

The RMOTC facility required substantial retrofitting that included construction, electrical and industrial engineering and permitting. This has resulted in hundreds of man-hours to bring the facility up to the required parameters for testing the prototype. STWA is now pleased to announce that after the various delays associated with poor weather conditions and third-party lead time interruptions, the facility build-out, although behind schedule, is set for prototype testing and is proceeding normally at this time.

Bjørn Simundson, head of new product development, program management and operations at STWA, Inc., said, "We have been working not only on developing our own prototype, with its associated lead times, engineering, physics and supply chain management, but have had to design and retrofit the majority of the testing facility at the same time. This included a design and build strategy from the ground-up of the entire infrastructure with fully operational valving, controls, permits, filtration, pipeline pigging and flushing, with the associated delays caused by third-party personnel changes and severe weather. Additionally, we had to work with our partners here on the requisite testing procedures and protocols. The side benefit of our time delays is that it gave us extra time for Phase I testing to more rigorously test our prototype and improve its operational envelope."

Mr. Simundson added, "The facility at RMOTC was chosen as a suitable testing facility that was acceptable to [The Pipeline Research Council International](#) (PRCI) and its members. When STWA came in here it was near completion and required necessary retrofitting mentioned. We have spent roughly \$500,000 in upgrades and now have a multi-device flexible full-scale outdoor testing laboratory at our disposal. This facility has been developed to yield results credible and demonstrable for the industry and has been valued at roughly \$5.5 million. We do not anticipate any further monetary and/or timeline burdens in the future."

The following is an abbreviated bullet-point list of the materials and processes involved in the build-out:

- 4 mile 6" schedule-80 3600psi 1050 barrel capacity subterranean pipeline buried at 5ft to buffer temperature variances with custom sample ports and data acquisition units strategically placed in-line
- Six 400-barrel tank battery (42 gal per bbl) (2400bbl tank capacity, total capacity with line 3450 bbl)

- Custom electrical power supplies, transformers, breakers, switching equipment
- Custom on-the-fly variable speed drive for pump speed, pressure
- Custom on-the-fly data acquisition temperature, pressure, viscosity sending units and autonomous computer-controlled operating system designed and built by Colfax Corp.
- Custom fabricated tank battery valving system
- Custom testing procedures and protocols co-developed by Temple University, Colfax Corp., U.S. DOE RMOTC and STWA
- Automatic pressure relief safety system (Government mandated)
- Multiple government permit issuances and clearances, each with lead time
- Logistics of multiple equipment procurement, orchestration and use
- Safety reviews and clearances (Government mandated)
- Entire facility build-out was designed and engineered by STWA and Colfax Corp., and built by Colfax Corp., RMOTC and multiple third parties
- Fully functional AOT prototype designed and built by Temple University, Colfax Corporation and STWA
- Mobile command unit operable by single controller

The following are the benefits generated by the unexpected extended build-out:

- Additional time has allowed for further development of the prototype device; laboratory testing continued to benefit of us, giving us a greater testing range than previously planned.
- We successfully doubled our operational power envelope with the additional time during Phase I testing, which yielded a more robust, reliable, effective and adjustable prototype unit.
- Interest in our product has also increased within the industry during this period, allowing STWA to have a greater audience for published results, data and industry value.

Furthermore, Mr. Simundson commented, "Although we had originally intended to make this a cold-simulation test, ambient testing is also an accepted and expected protocol that is desired and requested by industry members. The location of RMOTC was specifically chosen due to the fact that this pipeline system has been developed with the intention of a dynamically controllable operational design. Ambient temperature testing is an industry-requested testing parameter, and as the ground continues to heat up, this is actually bringing us further into normal operating temperatures. We can add a temperature controllability feature at a later date to accommodate requests made by future end-users for cold-climates and/or deepwater applications, and now we have a custom-built facility to conduct this testing."

Mr. Simundson added, "The remaining steps are to pig and flush the completed pipeline and tank battery with water to remove any debris, rust, iron filings, scale or other foreign objects to prevent them from contaminating our equipment, and then fill the battery with the 2,100 barrels of oil produced onsite in order to test our AOT equipment."

Mr. Cecil Bond Kyte, Chairman and CEO of STWA, Inc., commented, "The project, including planning and implementation, has been massive in scale. The prior time estimates were based on many variables. The fact that our technology had never been attempted at full scale made it all the more important that we eliminate variables and potential challenges upfront. This has made time estimates difficult due to unknown factors and conditions. We

will publish certain testing completion information at various stages of the ongoing testing." Mr. Kyte continued, "We are glad to have developed a solid working relationship with the staff at RMOTC and the DOE. With our investment here, STWA plans to be testing numerous devices at this facility for years to come as specific applications are requested by future end users."

Mr. Kyte added, "I would like to thank our shareholders and all interested parties for their patience as we now prepare for flow-rate testing of our [AOT™](#) prototype."

About STWA, Inc.

STWA, Inc. (OTCBB: ZERO) is an innovative company creating technology focused on energy efficiency of large-scale energy production and improved fuel economy for diesel fleets. The Company's Patented and Patent Pending technologies, including AOT™ (Applied Oil Technology), under development with Temple University, and ELEKTRA™ (for Improved Diesel Engine Efficiency), provide efficient and cost-effective means of improving the efficacy of crude oil transport and diesel engine efficiency to assist in meeting global increasing energy demands and emission quality standards. Applications include: (AOT™) Crude oil extraction & delivery systems, including oil platforms, oil fields and pipeline transmission systems. (ELEKTRA™) Diesel 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.