

STWA to Present Its Oil Pipeline Efficiency Technology in China

SANTA BARBARA, CA--(Marketwire -01/18/12)- [STWA, Inc.](#) (OTC.BB: [ZERO.OB](#) - [News](#)) ("STWA" or the "Company"), a developer of [energy efficiency technologies](#) in the multi-billion dollar oil pipeline and diesel engine markets, today announced that the Company's Chairman and CEO, Mr. Cecil Bond Kyte, is scheduled to tour China for high-level meetings with governmental and commercial decision makers in the oil pipeline industry regarding commercialization of its [Applied Oil Technology™ \(AOT™\)](#) oil pipeline efficiency technology.

The trip comes on the heels of a recently announced signing of a Letter of Intent with Beijing Heng He Xing Ye Technology Development Co., Ltd ("TDC") for licensing, sales and distribution of STWA's AOT™ into the Chinese market.

STWA CEO Mr. Cecil Bond Kyte and Mr. Ruilin Zhao, TDC Founder and CEO, will be co-presenting AOT™ and its economic and environmental benefits to key decision makers in China's oil pipeline industry.

"I'm fully confident in a successful commercialization of AOT™ technology in China based on a strong technological platform, shared strategic vision with STWA and the potential needs of China's rapidly developing oil industry. These factors, together with a partnership grounded in mutual sincerity and enthusiasm, assures us of a successful outcome!" stated Mr. Zhao, TDC's Founder and CEO.

The heavy international interest in STWA's Applied Oil Technology (AOT™) was triggered by the U.S. Department of Energy's [recently published tests showing](#) that STWA's AOT™ can reduce the amount of energy used in transporting oil per mile by over 13%. The efficiency gains are of immediate interest to Chinese petroleum producers, shippers, and their servicing industries because this energy-efficiency improvement would help them substantially in meeting the State Council of China's recent mandate to reduce energy consumption 16% by 2015. The nationwide mandate dictates that China's nationally-owned industries will be required to reduce the amount of energy used per unit of industrial output by 16% by 2015. TDC is interested in providing the energy industry with STWA's AOT™ as a means to attain that goal.

"TDC has been aware of our technology for some time now and they have been tracking our progress. When our U.S. Department of Energy results were published they reached out to us because they know the enormous impact AOT™ can have on China's oil pipeline industry and the mandate to reduce its energy consumption by 16%," stated STWA Chairman and CEO, Mr. Cecil Bond Kyte. "We are in the desirable position of offering a solution that creates substantial economic benefits while also addressing the challenge to reduce energy consumption."

Mr. Bjørn Simundson, STWA Executive Director, Program Management/Operations said, "TDC approached us because they can see the writing on the wall. China is a net oil

importer and the largest energy consumer in the world, [according to the U.S. Energy Information Administration](#). TDC heard about our results with the U.S. Department of Energy and realized that our technology could potentially be the cornerstone for meeting these nationwide mandates for the entire Chinese oil industry. They are interested in using their established systems and networks to help us break into the Chinese market quickly and with legal protection on both sides of the Pacific Ocean. We are working together to form the go-forward plan and details at this time."

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 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 ELEKTRA™

ELEKTRA™ improves diesel engine efficiencies, and is designed for application in major industrial and manufacturing settings such as diesel-powered electricity generation and marine cargo transport.

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.