Trading Symbol: ZERO (OTCBB)
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Overview

STWA, Inc. 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.

"Greater Efficiency and Profitability from Existing Assets"

STWA's technology suite is based on the reduction of viscosity of petrochemical fluids. Particulate Matter Aggregation (PMA), also known as "The TAO Effect" is the scientific cornerstone of our technology, and promises to reduce operation costs for heavy industry on an unprecedented scale. By reducing the viscosity of Crude Oil and its derivatives, STWA's AOT™ technology enables crude oil pipelines to operate more effectively, increasing daily throughput capacity and reducing power requirements and need for expensive chemical additives.
The technology also enables diesel fuel injectors to atomize fuel more effectively, increasing engine efficacy, increasing engine power, increasing fuel economy and reducing emissions simultaneously.

STWA™ technology has two commercial applications:

1. **Reducing pipeline operation costs**
2. **Reducing fuel consumption costs**

STWA™ technology is used in two product lines:

1. **AOT™ (Applied Oil Technology) = +BPD (barrels per day)**
2. **ELEKTRA™ (Diesel) = +MPG (miles per gallon)**

STWA™ technology has two major additional benefits:

1. **Overall Emission Reduction (NOx, CO2, Particulates)**
2. **Offsets Environmental Liability (DRA / Diluents)**

The immediate addressable market for AOT™ = $6.26 Billion
The immediate addressable market for ELEKTRA™ = >$5 Billion

Market Drivers

Energy is a critical component to national security and industrial operation globally. The speed and capacity with which energy can be delivered are the key component drivers in today's energy production and industrial landscape. Paramount to competitiveness, the efficient use of assets and their operation efficacy are growing in their importance within the global corporate and military profile. STWA's technology is created to increase the efficacy of energy production and use on a global scale.

Product Highlights

AOT™ utilizes patented processes to treat crude oil within the transport pipeline network(s) to reduce interparticulate resistance and drag. As treatment is deployed, resistance decreases, and flow increases in an efficient and cost-effective manner.
Applications include:
Crude oil extraction & delivery systems, including oil platforms, oil fields and pipeline transmission systems.

Public Company Stats

Ticker: ZERO.OB
CIK: 0001103795
SIC Code: 3714
State of Incorporation: Nevada

Price (07/8/10):	$0.43
52-wk high/low:	$0.95/$0.20
Av. volume (90-day):	58,647
Shares outstanding:	80.97 million
Market cap:	$34.82 million

**Information per Yahoo! Finance, Edgar and Thomson. Data as of 7/8/10.*

On the Web: **www.stwa.com**

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Management

Cecil Bond Kyte, Chairman/CEO

Mr. Kyte has been a Director since February 21, 2006. Mr. Kyte has been an investor in a number of businesses, including oil and gas and financial business consulting services. He is a co-founder of SwissGuard International, GmbH, a financial consulting firm based in Zurich, Switzerland. Mr. Kyte has been a pilot for over 22 years, serving as an airline Captain and flight instructor, retiring in 2002. He is an auto racing enthusiast and recently won the 2006 SCCA ITA Regional Championship and also "Rookie of the Year" award.

ELEKTRA™ employs patented innovations in uniform electric field technology to increase fuel efficiency, reduce emissions and improve performance in fuel injected diesel engines. The technology can be installed across vehicle fleets to greatly improve overall fuel consumption and significantly reduce expenses.
Applications include:
Diesel trucks, trains, marine vessels, military fleets and jet turbines.

Company Highlights

The Company's technology originates in academia. Temple University developed the technology and continues to improve upon it through the work of Dr. Rongjia Tao, head of Temple's physics department and a recognized expert in the field. STWA™ has conducted and continues with internal and third-party testing of the technology, proving reductions in viscosity, increased oil flow rates, improved fuel injector atomization and increased fuel economy.

July 2010: STWA™ Finalizing Proposal to Test Prototype Based on its AOT™. Testing to simulate real world conditions using 4.5mi Oil Pipeline located in Northwestern USA.

May 2010: STWA™ working with energy production and transportation industry leaders to develop and implement product prototypes of AOT™. Company moves toward development and test implementation of its AOT™ technology to reduce costs for global oil pipeline operators.

Mar 2010: STWA™ in talks regarding product development and technology commercialization in Three Major Markets. In discussions with potential partners and customers in key multi-billion dollar markets covering crude oil pipelines, land-based diesel engine technology and marine diesel technology.

Jan 2010: STWA's™ Dr. Rongjia Tao to chair upcoming international conference. Leading international Oil Conglomerates and Oil Pipeline Technology Companies, Including Saudi Aramco, and Leading Chemical Companies, Including BASF, Automobile Companies, Including Mercedes-Benz, are Expected to Attend the Conference.

May 2009: STWA™ received a State of California Senate Resolution from the Honorable Tony Strickland. Senator Strickland personally presented the Resolution in a ceremony held at the Company's new Santa Barbara office.

Strategy for Growth

The Company's operational strategy is predicated on the further research and development, marketing and distribution of its technology. The Company is in co-development with Energy Production and Transportation Industry Leaders (names withheld) to develop and refine product prototypes of the AOT™ and ELEKTRA™ technology. STWA has also engaged an East Coast based business-consulting firm to assist the Company with marketing services connected with its ELEKTRA-based technology as it applies to tractor-trailer trucks and other heavy diesel trucks. The Agreement initially targets 5 accounts that represent over 41,000 trucks. In addition, it covers one of North America's largest employee unions, with nearly 1,900 affiliates and 1.4 million members throughout the U.S., Canada and Puerto Rico.

Prompted by recent soaring energy costs, STWA™ together with Temple University, developed a plan for use of the company's technology at major oil and oil service companies and by divisions of the U.S. defense department. The U.S. military is the country's largest single consumer of energy. It spent a reported $13.6 billion in 2006, almost double the amount since the start of the Iraq war in 2003. Every $10 increase in the price of oil costs the Department of Defense $1.3 billion, according to military statistics.

Bottom Line

Laboratory research has shown that AOT™ requires approximately ten times less energy than existing heating and chemical additive treatments, and has the potential to reduce viscosity of crude oil by up to 50% while reducing the need for costly chemicals, diluents and Drag Reducing Agents (DRA), which remains a key consideration in environmentally sensitive areas. Ultimately, AOT™ is a ground-breaking technology for petrochemical delivery systems worldwide.

We believe that a broad application of our AOT™ and ELEKTRA™ technology, across vital industries and within the military, could reduce our country's dependence on oil, and lead to increased energy security.

Charles R. Blum, President and Director

Mr. Blum started his career after attending Rutgers University and enlistment in the US Army (1957-1959). From 1960 to 1980 he worked for Keystone Automotive, concluding his tenure there as Vice President of Sales and Marketing.

From 1980 until 2002, Mr. Blum served as President/CEO of Specialty Equipment Manufacturer's Association (SEMA), the world's largest automotive association with thousands of members and significant influence on the automotive industry from the top down. Under his direction, SEMA grew to over three thousand members by 1998. From 2002 to the present, Mr. Blum has been a major consultant to organizations and companies like SEMA, Borla Exhaust, and APC.

Gene Eichler, CFO

Mr. Eichler has served as Chief Financial Officer since May 2002. Mr. Eichler was the Chief Financial Officer and Firm Administrator of the law firm Masry & Vititoe from 1982 to October 2001.

John F. Price, PhD, Ind. Director

Nathan Shelton, Ind. Director