

STW RESO : JNC Energy Systems Signs Three-Year Contract to Utilize Stranded Natural Gas for Electrical Production

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[JNC Energy Systems, LLC](#) ("JNC"), a generator and provider of electricity which has executed a binding agreement to be acquired by [STW Resources Holding Corp.](#) ("STW Resources") (OTCBB:STWS), today announced that it has signed a three-year contract with a Dallas, Texas-based independent oil and gas exploration and production company.

JNC will utilize the stranded natural gas being produced in four locations in west Texas in and around Nolan County, which is approximately 1.0 million cubic feet of gas. This gas is available for electricity generation because the construction of a gas pipeline proved to be too costly. The volume of gas will allow for deployment of 15 natural gas generator units, which will produce 1,512,216 KWH of electricity per month or enough electricity for approximately 1,625 homes. The oil & gas operator/owner has also identified four additional oil leases in three counties with potential gas for electric generation. JNC is currently undergoing feasibility studies on these locations.

JNC is a certified electric power company operating in Texas, providing electricity by deploying unique generation systems fueled by oilfield wellhead gas. Through an affiliated certified Retail Electric Provider (REP), JNC provides electricity to retail and commercial customers by interconnecting with the electrical grid at the generator site.

[Clayton Fowler](#), a Co-Founder of JNC, commented, "This contract reflects a win-win for both JNC and the operator. JNC has the ability to convert the gas byproduct into electricity to be sold into the electricity grid. We look forward to a long-term, mutually beneficial relationship with this operator and all the operators that we will partner with in the future." JNC has identified numerous other oil and gas operators with similar stranded or low quality natural gas.

About JNC Energy Systems, LLC

JNC Energy Systems, LLC has developed a proprietary system for electrical generation using low quality or stranded natural gas (which has often previously been vented into the atmosphere or burned off using a flare system) to power an efficient electrical generator. The generated electricity is then uploaded directly into reliable primary transmission lines, and is sold or traded on the open market. Deregulation of the Texas electric markets means electricity can now be independently generated and sold into the wholesale market through ERCOT (Electric Reliability Council of Texas). ERCOT manages the flow of electric power to 22 million Texas consumers, which is about 85% of the electric load in the state.

JNC recently signed a binding letter of intent with STW Resources Holding Corp. ("STW Resources") (OTCBB:STWS) pursuant to which STW Resources will acquire JNC and its two affiliates. The closing of the transaction with STW Resources is subject to the execution of definitive agreements and will be contingent on a number of customary closing conditions, including the Company's securing adequate financing of at least \$1.3 million, completion of satisfactory due diligence and financial audits, and securing various required consents and approvals.

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