



Octave Reservoir Technology Signs Joint Development and Marketing Agreement with US Sensor Systems

Real-time Efficient Monitoring Optic Sensors Will Target the Exploration and Production Markets

Northridge, CA – October 15, 2010 – US Sensor Systems Inc. (USSI), a subsidiary of Acorn Energy (Nasdaq: ACFN), announced today that it has signed an agreement with Octave Reservoir Technology, whereby USSI will develop a custom miniature fiber optic geophone (MFOG) for use in Octave’s seismic reservoir monitoring system, which will be sold by Octave to the Exploration and Production (E&P) markets. Octave is a leader in providing real-time microseismic reservoir monitoring solutions within the oil and gas and the closely associated Carbon Capture and Storage (CCS) and geothermal industries.

The agreement provides a framework for a long term supply agreement whereby USSI will develop the proprietary MFOG specifically for Octave’s slimhole tool, and will build optical sensor arrays to support their services. The combination of the USSI’s best in class fiber optic sensor technology with Octave’s superior service model will allow Octave to deliver a cost-effective, competitive reservoir surveillance service for both passive microseismic surveys and active projects.

“When considering the lack of monitoring solutions for hot deep plays like the Eagle Ford and Marcellus, USSI’s fiber technology lets us package a superior tool capable of permanent operation at the very high temperatures and pressures being demanded by oilfield operators. For both on and offshore applications, the decision was evident and clear. We share a common vision for the oilfield and look forward to maximizing the value of this strategic relationship for our clients.” stated Scott Taylor, the President of Octave.

“Octave is an ideal channel partner for us,” stated Jim Andersen, CEO of US Sensor Systems, “They planned to introduce a new service to the E&P industry but after substantial research, determined that the existing sensor technology was not adequate. After participating with us and reviewing the results from joint tests, they selected our technology for their new Mustang Slimhole tool.”

USSI’s new fiber optic sensors, powered only by light, are designed to detect intrusions, pipeline leaks, strain, and seismic waves, replacing the existing 50-year old copper wire-based sensors that are in widespread use throughout the oil Exploration and Production (E&P) industry.

About Octave Reservoir Technologies.

Octave Reservoir Technologies is a pioneer of the first fully integrated permanent “life-of-field” microseismic reservoir monitoring service. Octave provides real time dynamic reservoir characterization by ‘fusing’ microseismic events with pre-existing fracture and reservoir models. Microseismic emissions have been shown to occur from the initial developmental phases and to continue throughout the production phases thereby becoming increasingly important in unconventional resource plays such as Shale Oil and Shale Gas, and during enhanced oil recovery. Octave has developed a system including: real-time data imaging software, a suite of patentable system optimization algorithms, and leverages USSI’s fiber optic sensors.



About US Sensor Systems

US Sensor Systems Inc. (“USSI”) designs, integrates, manufactures, and sells fiber optic sensing systems and solutions for the Energy and Defense markets. USSI utilizes all-optical fiber sensing technology for its state-of-the-art sensors. Use’s proprietary optical fiber and electronics combine to form the sensor system. It is designed to replace the legacy electronic-based sensor systems at a lower cost and with improved performance and reliability. For more information visit the USSI website at: www.ussensorsystems.com.

About Acorn Energy

Acorn Energy, Inc. (NASDAQ: ACFN) is a publicly-traded holding company with equity interests in CoaLogix, Coreworx, DSIT, GridSense and US Sensor Systems Inc. These companies leverage advanced technologies to transform and upgrade the energy infrastructure around the world. Acorn companies are focused on three problems in the energy sector: improving the efficiency of the energy grid, reducing the risk for owners of large energy assets, and reducing the environmental impact of the energy sector. Acorn's strategy is to take primarily controlling positions in companies led by great entrepreneurs. For more information visit <http://www.acornenergy.com>.

Safe Harbor Statement

This press release includes forward-looking statements, which are subject to risks and uncertainties. There is no assurance that US Sensor Systems Inc. or Acorn Energy, Inc. will continue to grow their respective businesses, execute the initiatives described above or meet the expectations described above. A complete discussion of the risks and uncertainties which may affect Acorn Energy's business generally and the businesses of its subsidiaries is included in "Risk Factors" in the Company's most recent Annual Report on Form 10-K as filed by the Company with the Securities and Exchange Commission.

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