

Southeastern Utility Adopts GridSense TransformerIQ for a Major Distribution Optimization Project – One of the Largest Deployments in the U.S. To-Date

June 2, 2011 - GridSense, a subsidiary of Acorn Energy (Nasdaq:ACFN), and a leader in advanced monitoring systems that support electric utilities worldwide, today announced that a leading Southeastern electric utility, known to be on the forefront of adopting new technology, has selected the company's TransformerIQ to monitor over 2000 transformers in one metropolitan county in its service territory. This project is expected to be a showcase for *Smart Grid* distribution optimization demonstrating the scalability and impact of affordable monitoring solutions on electric reliability. The American Recovery and Reinvestment Act provided half the funding for the project.

There are over 20 million transformers in the United States. According to Hartford Steam Boiler Inspection and Insurance Company, which insures most transformers in the U.S., the average age of transformers in the U.S. is 37 years old. Transformers are designed for a maximum 40 year life. It would cost utilities tens of billions of dollars to replace old and aging transformers, with resulting rate increases to consumers.

The TransformerIQ is designed to cost less than 2% of the transformers replacement cost, and can help extend their useful lives. This monitoring platform is easy to install and can monitor up to 28 different parameters including operating temperatures, predicted asset life, system capacity, vault load switching, faults and interruptions and operating current voltage and power factor. In addition to the compelling savings involved, the use of the TransformerIQ will help utilities avoid prolonged service interruptions.

Lindon Shiao, CEO of GridSense stated, "GridSense is very excited to be selected to play a key role in this important project. Its successful completion will serve as a model. Other utilities and Public Service Commissions will see how high value, cost-effective investments at a fraction of the replacement cost of grid assets can improve network intelligence and reliability, extend asset lives and prevent unplanned outages."

Kevin Andersen, inventor of the TransformerIQ said, "I have spent my entire career in transformer monitoring and I knew that if we could provide real-time monitoring of all the key parameters of transformer failure, at the right price point, utilities would adopt the product en masse. All transformers from large generation step-up down to the distribution pole top can now be monitored affordably with the TransformerIQ."

John Moore, CEO of Acorn Energy said, "Electricity is more than just another commodity. It is our economy's life-blood and the key to our quality of life. As the world moves into the digital age, power quality will need to grow accordingly.

We believe that the industry will soon appreciate that distribution optimization will have a bigger impact than demand response. By transforming our existing infrastructure into a smarter grid, we will help ensure our ability to meet growing electricity demands.”

About GridSense Pty. Ltd.

GridSense Pty. Ltd., a wholly-owned subsidiary of Acorn Energy, Inc. (Nasdaq: ACFN), is an industry leader that provides remote monitoring and control systems to electric utilities and industrial facilities worldwide. These solutions which include outage management, power quality monitoring, trouble shooting, capacity planning and demand response, provide network operators with the intelligence to improve efficiencies of grid operations. GridSense has a range of commercially proven offerings and a growing base of utility customers worldwide. For more information visit www.gridsense.com.

About Acorn Energy, Inc.

Acorn Energy, Inc. is a holding company focused on technology driven solutions for energy infrastructure asset management. Our four businesses in which we have controlling interests, improve the world's energy infrastructure by making it cleaner and less expensive to operate air pollution systems for coal and gas-fired power plants (CoaLogix), more secure by providing security solutions for underwater energy infrastructure (DSIT), more reliable by providing condition monitoring instruments for critical assets on the electric grid (GridSense) and more productive and efficient by increasing oil and gas production while lowering costs through use of ultra-high sensitive seismic tools for more precise pinpointing of oil and gas reservoirs (USSI). For more information visit www.acornenergy.com.

Safe Harbor Statement

This press release includes forward-looking statements, which are subject to risks and uncertainties. These risks and uncertainties include demand and competition in the market for devices and equipment similar to those manufactured by GridSense and OMI, possible uncertainty about GridSense's and OMI's orders from customers resulting from grants by the U.S. Department of Energy and successful integration of OMI into GridSense. For disclosure of additional risks and uncertainties which may affect GridSense's business and prospects and Acorn Energy, Inc.'s business generally, see the information under "Risk Factors" in Acorn Energy's most recent Quarterly Report on Form 10-Q and Annual Report on Form 10-K as filed with the Securities and Exchange Commission.

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