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US Seismic Systems, Inc. and Northrop Grumman Announce Fiber-Optic Technology Licensing Agreement

CHATSWORTH, Calif. – May 7, 2012 – US Seismic Systems, Inc. (USSI), a subsidiary of Acorn Energy, Inc. (NASDAQ:ACFN), and Northrop Grumman Corporation (NYSE:NOC) have signed a licensing agreement involving several of Northrop Grumman’s fiber-optic technology patents.

Terms of the agreement are confidential.

Northrop Grumman has an extensive portfolio of fiber-optic patents resulting from pioneering research in fiber optics spanning three decades. Northrop Grumman’s licensed patents will be used by USSI in an enhanced product to refine the next generation of high sensitivity oilfield fiber-optic geophones.

“USSI’s new all-optical geophone is designed to replace less capable legacy magnet and coil geophone sensors currently used for oilfield exploration and production,” said Jim Andersen, CEO of USSI. “The USSI fiber-optic geophone provides superior performance in every key category, including sensitivity, noise floor, distortion, bandwidth and dynamic range—and all at a substantially lower cost.”

“Combined with our existing best-in-class oilfield fiber-optic sensor technology, these patents will help solidify our position as a technology leader. This collaborative partnership will leverage our core strengths to bring cutting-edge technologies to the energy market,” Andersen added.

“These patents represent extensive investment in research and development that spans more than a decade,” said Liz Iversen, sector vice president and general manager of Northrop Grumman’s Navigation Systems Division. “We look forward to a long-term and mutually beneficial relationship.”

About US Seismic Systems, Inc.

US Seismic Systems, Inc. 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. USSI’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, Inc.

Acorn Energy, Inc. (NASDAQ:ACFN) is a holding company focused on making energy better by providing digital solutions for energy infrastructure asset management. The four businesses in which it has controlling interests improve the world’s energy infrastructure by making it: more secure - providing security solutions for underwater energy infrastructure (DSIT); more reliable - providing condition-based monitoring to critical assets on the electric grid (GridSense, OmniMetrix) and more productive and efficient - increasing oil and gas production while lowering costs through use of permanent ultra-high sensitive seismic tools that allow for a more precise picture of reservoirs (US Seismic). For more information visit: <http://www.acornenergy.com>.

About Northrop Grumman Corporation

Northrop Grumman is a leading global security company providing innovative systems, products and solutions in aerospace, electronics, information systems, and technical services to government and commercial customers worldwide. Please visit <http://www.northropgrumman.com> for more information.

USSI Acorn Energy, Inc. Safe Harbor Statement

This press release includes forward-looking statements, which are subject to risks and uncertainties. There is no assurance that USSI 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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