

## **Acorn Energy Companies DSIT and US Seismic Collaborate to Win \$900,000 BIRD Development Grant**

Montchanin, DE, USA, July 11, 2012 -- Acorn Energy, Inc. (NASDAQ:ACFN), announced today that two of the Acorn Energy portfolio companies, DSIT Solutions Ltd. and US Seismic Systems Inc., were awarded a \$900,000 grant from the BIRD Israel-U.S. Binational Industrial Research and Development Foundation. The grant is being awarded for the joint development of the next generation integrated passive/active threat detection system for underwater site protection. The BIRD Foundation provides funding money for projects involving joint innovation and development between American and Israeli companies.

John Moore, CEO of Acorn commented, "We encourage all of the Acorn portfolio companies to take advantage of synergies within the Group in order to reach company goals faster and better. In this case we are very pleased to see that USSI and DSIT are cooperating on a very exciting project that has generated serious interest and funding from the BIRD Foundation. USSI, a company with vast experience in the field of fiber optic seismic sensors, has developed revolutionary, state-of-the-art fiber optic underwater passive sensors. DSIT is a world leader in active Diver Detection Sonar systems. Both companies bring to the project their unique expertise and experience, in order to develop and integrate a very comprehensive passive/active underwater security system that will meet the needs of water bound energy facilities, offshore platforms, ports and harbors."

The integrated passive/active underwater security system that is the subject of this grant is potentially the most comprehensive system of its kind available. The advantages of combining the world's best passive and active sensors will lead to an underwater system that provides extremely efficient and effective coverage of all areas of a site. The combined system will be designed to provide a much greater probability of threat detection with a lower rate of false alarms for all types of threats.

The BIRD Foundation grant is designated to cover 50% of the development costs of the project over a period of two years. The grant calls for the signing of a Cooperation and Project Funding Agreement between the companies and the BIRD Foundation within 3 months to enable commencement of the funding. Dr. Eitan Yudilevich, the Executive Director of the BIRD Foundation: "BIRD's support of U.S.-Israel partnerships has led to very significant successes during its 35 years of existence. These partnerships have contributed to both the U.S. and Israel, by promoting innovation and reducing the risks of joint projects. This project is a great example of the special U.S.-Israeli synergy in the area of Homeland Security".

### **About the BIRD Foundation**

The BIRD (Binational Industrial Research and Development) Foundation works to encourage cooperation between Israeli and American companies in the various areas of technology, and provides assistance in locating strategic partners from both countries for developing joint products. Approaching its 35th birthday, the BIRD Foundation has invested in close to 830 projects, which have yielded revenues of about \$8 billion. The BIRD Foundation supports projects without receiving any rights in the participating companies or in the project itself. The financial assistance is repaid as royalties from sales. The Foundation provides support of up to 50% of a project's budget, beginning with R&D and ending with the initial stages of sales and marketing. The Foundation shares the risk and does not demand that the investment be repaid if the project fails to reach the sales stage. The BIRD Foundation works in full cooperation with the Chief Scientist's Office at the Ministry of Industry, Trade, and Labor in Israel, and with the U.S. Commerce Department's National Institute of Standards and Technology (NIST).

### **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, which 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](http://www.ussensorsystems.com).

### **About DSIT**

DSIT develops sonar and acoustic solutions and acts as a system integrator for advanced Security Command and Control systems. The Company's offerings are designed to provide the latest in technology and its intelligent application for the energy, commercial, defense and homeland security markets. The Company's offerings include: AquaShield™ Diver Detection Sonar (DDS), PointShield™ Portable DDS, Sonar Simulators and Trainers, MAR™ Portable Acoustic Ranges, Underwater Acoustic Signal Analysis (UASA) systems, and Sonar Upgrade Programs (SUP). For more information visit [www.dsit.co.il](http://www.dsit.co.il).

### **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: [www.acornenergy.com](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 Acorn Energy, Inc. or its operating companies will continue to grow their respective businesses, or that any of them will meet the expectations or execute the initiatives described or referred to 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 its most recent Annual Report on Form 10-K and its 2012 First Quarter 10-Q as filed by Acorn Energy with the Securities and Exchange Commission.

Investor & Press Contact:

Paul G. Henning

Cameron Associates

(212) 554-5462

[Paul@cameronassoc.com](mailto:Paul@cameronassoc.com)