

Contact: Leonce Gaiter
Tel: 916.372.4945
Email: l.gaiter@gridsense.com

GridSense, an Acorn Energy Company, Announces Sale of Over 500 Pole-top & Underground TransformerIQ™ Monitors to Major California Utility

Sacramento, CA – October 15, 2012 - GridSense, an Acorn Energy (NASDAQ: ACFN) company that develops and markets advanced monitoring solutions for the electric power industry announced the sale of 500 TransformerIQ™ advanced monitoring units to a major California utility. The 500 TransformerIQ™ devices will be used to monitor and secure valuable data from overhead and underground transformers dispersed throughout the utility's residential distribution grid. The order represents an almost \$1 million first sale for this new product, and will be processed and shipped in the fourth quarter. Assuming successful integration, the ultimate potential product sales volume with this utility could, over time, approach over 100,000 units across their network.

"This sale is an integral part of the ongoing relationship we are developing with this major California utility," said Lindon Shiao, Chief Executive of GridSense. "The general public often equates the controversial smart meter on their home with the term smart grid. In fact, sophisticated Distribution Automation (DA) devices like TransformerIQ™ strategically placed throughout the network are really what the grid needs to become smarter. These devices can yield large economic benefits, similar to those of energy efficiency programs, but without requiring 300 million Americans to change their daily habits."

Greentech Media recently released a report stating, "Because automation of distribution systems, substations, and transmission grids offers more rapid and greater return on investments than smart meter programs, we believe that the DA market represents the greatest opportunity to reap the benefits of the smart grid."

John Moore, CEO of Acorn Energy stated, "I am very excited about how Lindon has positioned GridSense and with the Big Brother alliances he has developed to break into this new market. This utility is known as an early adopter and integrator of novel smart grid technologies. We take great pride in our developing relationship with this marquee customer. The biggest surprise to economic forecasters is going to be the impact of digital energy technologies like TransformerIQ™. They allow progressive utilities to affordably and quickly change their grid from thirty day batch processing to real-time self healing networks. Digital energy technologies like TransformerIQ™ will enable utilities to affordably reduce outage times and improve the reliability of the grid. The US Department of Energy estimates the cost of grid inefficiencies to the US economy to be \$180 Billion each year. There are over thirty million pole-top and underground transformers in the US alone that are targets for our solution."

Adds Mr. Shiao, "I expect an acceleration of adoption of the pole-top and underground TransformerIQ™ by other utilities once we launch the GridInSite™ software platform in the first quarter of 2013. GridInSite™ will provide unprecedented real-time situational awareness of critical assets like transformers and overhead lines to grid operators."

About GridSense Inc.

GridSense is a smart grid technology company dedicated to providing innovative, practical and cost effective monitoring solutions to the electric power industry. Utilizing in-depth industry knowledge and understanding of utility requirements, we provide technology and services that help the industry address the limitations of old and aging infrastructure. We apply experience and technical know-how with new insight and ideas to create intelligent, reliable and leading edge technologies that add value to our customers and shape the future of the modern electrical power system.

About Acorn Energy, Inc.

Acorn Energy, Inc., the digital energy company is a holding company focused on making energy better by providing digital solutions for energy infrastructure asset management. The four businesses in which we have 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>.

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 most recent 10-Q as filed by Acorn Energy with the Securities and Exchange Commission.

#