

## **Acorn Energy Suspends Operations at US Seismic Systems** ***DSIT Backlog Up 133% to \$28 Million***

Wilmington, DE March 18, 2015 Acorn Energy (NASDAQ: ACFN), an energy technology holding company today announced that it has stopped funding its majority-owned US Seismic Systems (USSI) subsidiary and that USSI has suspended operations and terminated substantially all employees. USSI intends to sell its assets and is exploring ways to maximize value for creditors and other stakeholders, expecting that most of the proceeds from any sale of its assets will be used to pay creditors. It is uncertain whether there will be any proceeds available to Acorn Energy or other USSI shareholders.

Acorn will record write offs on its 2014 financial statements of substantially all USSI assets, including \$4.9 million of inventory, \$3.4 million of goodwill and intangibles, \$1.0 million of fixed assets.

John A. Moore, CEO of Acorn Energy said, “While we continue to believe in the value of USSI’s technology, we had never planned to go it alone in developing and bringing the technology to market. The current downturn of the oil industry has caused all of our potential partners to shift from adopting cutting-edge microseismic technology to concentrate on rightsizing their organizations in line with the decreasing microseismic demand. Therefore, we made the hard but necessary decision to end the drain on Acorn’s resources and cut overall burn rate by discontinuing our funding of USSI.

“Our Board has decided to focus on our businesses that are showing substantial potential. We believe that defunding USSI and focusing our efforts on our other businesses will allow us to get back to what we do best.”

### **Record Backlog at DSIT**

While the recent collapse of oil prices was sudden and adverse to our efforts at USSI, the world’s need for security has exploded and our DSIT business is benefiting from a surge in submarine and anti-submarine markets around the world.

In the past several months, DSIT received over \$19 million of new orders, raising the backlog to about \$28 million, the largest in its history. The bulk of this amount (\$15.4 million) was related to an order for four Hull Mounted Sonar (HMS) systems and an Anti-Submarine Warfare (ASW) Trainer for an undisclosed navy, which is undergoing significant modernization. The Hull Mounted Sonar System is an integral part of navy ships and is used for submarine surveillance, self-protection and torpedo warning. Most importantly, DSIT is delivering standardized proprietary equipment further establishing its credibility as a sonar supplier.

The sonar systems and technology market is estimated to be at \$2.1 billion in 2014 and is expected to reach \$3.1 billion by 2020.

Benny Sela, CEO of DSIT stated, “We are accelerating our penetration of the market for anti-submarine warfare systems which is seeing an unprecedented build-up of submarines and defensive capabilities in many sensitive regions. We are able to offer state of the art sonar systems at affordable prices to these emerging, but very sophisticated navies. DSIT has transformed itself from a projects business to a sonar product and systems business with world-wide leadership in diver detection and portable acoustic ranges.”

John Moore concluded, “The suspension of our USSI operations marks the end of an effort to bring to market a technological breakthrough for increasing oil and gas production economically. The sudden 50% drop in energy prices was a surprise to most experts. On the bright side, the long awaited surge in demand for harbor protection with advanced equipment to detect and prevent sabotage has come suddenly as well. For example, in its September 2014 report entitled “Global Diver Detection Sonar (DDS) Market for Offshore Infrastructure, Ports and Coastal Facilities”, Frost and Sullivan stated that “DSIT is the market leader for off-shore infrastructure and coastal facilities. Maritime infrastructure components, such as offshore rigs and gas terminals, as well as seaports and nuclear reactors will grow in significant numbers over the next 5-10 years. The demand for securing these strategic assets will be one of the main growth engines of the maritime security market. Over the coming years, adoption rates of DDS will significantly grow. Global expenditures on DDS are estimated to be ~\$200 million by 2020.”

### **Conference Call Information**

Acorn Energy will host a conference call on Wednesday, March 18, 2015 at 11:00 AM, EDT to discuss the recent developments. Participants can pre-register for the conference call by accessing this [link](#). Pre-registering gives one immediate entry into the call, zero wait time and will automatically populate your Outlook calendar with an invitation.

Participants that would like to join the conference call, but have not registered, can do so by dialing US Toll Free (866) 652-5200, International Dial in (412) 317-6060 and asking for the “Acorn Energy Conference Call” (no pass code required). If you are unable to participate in the live call, a digital replay of the call will be available two hours after the end of the live call through 9:00 am EDT April 19, 2015, by dialing (877) 344-7529 Toll free or 1-412-317-0088 International and entering access code 10062584.

### **About Acorn Energy, Inc.**

Acorn Energy, Inc. is a holding company whose three portfolio companies help their customers achieve greater productivity, reliability, security, and efficiency—factors which can lead to greater profitability. DSIT provides security solutions from underwater threats to naval and marine based energy assets. GridSense<sup>®</sup> provides monitoring for all critical points along the electricity delivery system. OmniMetrix<sup>™</sup> remotely monitors emergency back-up power generation systems and oil and gas pipelines. 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. DSIT’s performance in 2015 and future years is subject various risks and uncertainties, including (i) risks associated with meeting performance milestones, (ii) political risks associated with its government customers, and (iii) risks of possible costs overruns associated with fixed price projects. There is no assurance that DSIT will complete the projects described or generate the anticipated cash flow from operations. A complete discussion of the risks and uncertainties which may affect Acorn Energy's business generally and the businesses of DSIT and its other subsidiaries is included in "Risk Factors" in the Company's Form 10-K filed by the Company with the Securities and Exchange Commission.