



Octus Executes LOI To Acquire Quantum Energy Solutions

Davis, California (January 19, 2010) – Octus, Inc. (OTCBB: OCTI.OB), a leading smart energy efficiency company, today announced it has signed a non-binding letter of intent to acquire Quantum Energy Solutions, Inc., a pioneer in the development of energy conservation projects.

“As disclosed in our 2010 guidance, strengthening and expanding the Octus Smart Energy Platform (OctusSEP) through the acquisition of energy service and smart energy product companies is a key tenet of our growth strategy,” said Octus CEO Chris Soderquist.

Founded in 1974, Quantum was one of the first energy management companies in the United States to specialize in energy conservation. Quantum’s principals have executed more than \$100 million in energy projects for clients including ARCO, Bank of America, Blockbuster, Chevron, Delta Airlines, Frito Lay, Hewlett-Packard, Home Depot, Ikea, Nabisco, Pepsi, Petco, Safeway, Sears, Siemens, and University of California.

On October 4, 2009, Octus and Quantum announced a joint venture to commercialize OctusSEP and collaboratively pursue a pipeline of smart energy projects. On December 16, 2009, Octus and Quantum announced four smart energy projects have been secured through the joint venture. In its January 13, 2010 news release, Octus disclosed the companies have developed a pipeline of more than \$20 million in potential smart energy projects.

Pursuant to the letter of intent, the proposed transaction is subject to the satisfactory completion of due diligence and business negotiation by the companies, including the finalization of terms for a definitive agreement. If successful, the companies anticipate consummating the transaction in the next 45 days.

###

About Octus

Octus, Inc. (OTCBB: OCTI.OB) is a leading smart energy company providing innovative solutions that significantly improve energy management and reduce electricity costs. Our purpose is to make buildings smart and reduce energy consumption by 50% or more. We accomplish this through the Octus Smart Energy Platform (OctusSEP), a portfolio of smart devices, sensors, network appliances and software-enabled energy management services, and the implementation of smart energy projects, targeting a \$50 billion U.S. market. Commercialization of OctusSEP is propelled through affiliations with leading energy institutions, including the California Lighting Technology Center and the Western Cooling Efficiency Center.

Forward Looking Statements

This press release contains forward-looking statements, including, without limitation, statements as to financial projections and management's beliefs, expectations, goals and opinions. The company does not undertake to update or revise these statements, which are based on a number of assumptions concerning future conditions that may ultimately prove to be inaccurate. Future events and their effects on the company may not be those anticipated, and actual results may differ materially from the results anticipated in these forward-looking statements. The risks, uncertainties and factors that could cause or contribute to such material differences are discussed in the company's annual report on Form 10-K for the year ended December 31, 2008, and in company's quarterly report on Form 10-Q for the quarter ended September 30, 2009, filed by the company with the Securities and Exchange Commission, as updated or supplemented from time to time in subsequent filings. In addition, this press release contains a number of forward-looking statements concerning anticipated operations for 2010. The company has only recently become engaged in the smart energy business and does not have a history of operations on which future results can be based.

Contact:

Chris Soderquist, Octus, chris@octusenergy.com, 530/564-0200
<http://octusenergy.com>