

June 22, 2012



Telkonet Partners with OTO Development

New Hyatt Place Los Angeles Int Airport/El Segundo to Install EcoSmart Energy Management

MILWAUKEE, June 22, 2012 /PRNewswire/ -- Telkonet, Inc. (OTC BB: TKOI), developer of the revolutionary EcoSmart energy management platform incorporating patented Recovery Time™ technology, announced today that the new development project, Hyatt Place Los Angeles Int Airport/El Segundo of El Segundo, CA, will be installed with a fully networked EcoSmart energy management solution.

(Logo: <https://photos.prnewswire.com/prnh/20111011/NY83909LOGO>)

In partnership with Spartanburg, South Carolina-based hospitality management firm and developer OTO Development, the 143-room Hyatt Place opening in Q4 2012, will feature EcoInsight intelligent thermostats to reduce HVAC equipment runtime, conserving energy use when guestrooms are unoccupied. EcoSmart traditionally provides energy savings of 20% to 40% and will enable even greater energy savings when integrated with the hotel's Property Management System/PMS.

George Rutledge, VP, Purchasing & Technology at OTO Development, was quick to recognize the value of a networked energy management solution. "We considered a stand-alone energy management system," Rutledge said. "But the benefits associated with a networked solution compelled us to reconsider. We realized that centralized management of the energy management system allows staff to be more efficient in managing and operating the property. The Hyatt Place El Segundo will be able to track HVAC efficiency, monitor energy savings, and make changes to thermostat settings from any web-connected device."

Rutledge added, "As a networked solution, EcoSmart has the ability to proactively self-monitor. If an in-room HVAC unit begins to run excessively, the web-interface EcoCentral, can alert appropriate personnel to address the issue before guest comfort is impacted."

"Telkonet is excited about the opportunity to collaborate with OTO as they have a proven track record in developing properties that are highly successful and operationally efficient," says Gerrit Reinders, Telkonet's Executive VP of Global Sales and Marketing. "We believe our networked EcoSmart solution will bring a new level of real-time energy management capabilities to OTO so HVAC issues can be addressed in a precise manner and guest comfort assured." Reinders further stated, "Our goal is to give clients an easily managed, web-based energy management platform that provides transparent energy savings with the ability to market to and engage eco-friendly guests, inviting further energy savings at the property level."

About OTO Development

OTO Development was established in 2004. With an emphasis on quality, reliability, service,

and value, the goal of OTO Development is to develop a portfolio of great hotels managed by exceptional people. Over the last six years, OTO Development has opened 45 hotels, a pace matched by few companies within the lodging industry. Today, the company continues its impressive growth with over \$500M in urban new development projects in Seattle, San Francisco, Los Angeles, San Diego, Manhattan and Washington DC.

ABOUT TELKONET

Telkonet, a leading United States-based energy management technology provider, offers hardware, software and services to commercial customers worldwide. The EcoSmart suite of products, along with the EcoCentral management platform, can reduce energy consumption, HVAC runtime and utility costs in most building environments. Telkonet's energy management products have the power to reduce energy consumption, minimize carbon footprints and help eliminate the need for the construction of new power plants. For more information, visit www.telkonet.com.

For news updates as they happen, follow [@Telkonet](https://twitter.com/Telkonet) on Twitter.

Statements included in this release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve a number of risks and uncertainties such as competitive factors, technological development, market demand and the Company's ability to obtain new contracts and accurately estimate net revenue due to variability in size, scope and duration of projects, and internal issues in the sponsoring client. Further information on potential factors that could affect the Company's financial results, can be found in the Company's Registration Statement and in its Reports on Forms 8-K filed with the Securities and Exchange Commission (SEC).

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