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Telkonet Partners with Top Energy Solutions Provider in Mexican Market

Delivering World Class Energy Management Technology to Popular Resort Destinations

MILWAUKEE, Oct. 21, 2013 /PRNewswire/ -- Telkonet, Inc. (OTC BB: TKOI), whose complementary business divisions include EcoSmart, an energy management technology platform featuring Recovery Time™ technology and EthoStream, one of the largest high-speed Internet access ("HSIA") providers in the world, today announced a strategic partnership with GSE Management and Energy Solutions, a leading energy management solutions provider in Mexico.

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

Due to higher electricity costs, Caribbean hotels have much larger operating costs than comparable U.S. properties. To help minimize this expense, GSE offers technology solutions that manage and optimize the efficient use of energy for commercial and industrial clients. GSE Management and Energy Solutions is a major player in renewable energy for the hospitality market and are installing Telkonet's EcoSmart guestroom energy management system in numerous resort properties around Cancun.

"GSE and their group of companies are the leading providers of telecommunications and energy savings technology in the region," stated Telkonet CEO, Jason Tienor. "They are the frontrunner in implementing energy efficient systems that support conservation objectives while enhancing the guest experience. We respect GSE's focus on providing energy savings to their customers through technical and economic optimization that positively impacts their client's business."

Arturo Gerson, General Manager for GSE said, "Telkonet's EcoSmart system is the best technology available to save energy without compromising guest comfort at resort properties. We've searched a long time for the best manufacturer for GSE to represent with the most knowledge and technological capability and Telkonet is the perfect fit. In the Cancun area, energy costs are very high and the wireless connectivity of EcoSmart makes it quick and easy to install. Combined with the significant energy that is saved when rooms are unoccupied and the return on investment is substantial."

The EcoSmart Intelligent Energy Management System offers a wealth of powerful features to maximize energy savings, operational efficiency, and guest satisfaction. Intelligent thermostats, occupancy sensors, door and window contacts, outlets and light switches form a wireless mesh network to communicate information between rooms, floors, and buildings. The cloud-based EcoCentral Virtual Engineer™ Command Center allows users to monitor, control and optimize energy savings while maintaining guest comfort. In combination with Telkonet's EcoCare realtime support services, EcoSmart provides the most

effective energy management package available to the hospitality market today.

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, which includes EcoInsight and EcoWave intelligent thermostats, the EcoGuard energy management outlet and the EcoSwitch energy-efficient light switch can be deployed in most building environments to cut utility costs and enable remote monitoring and control using the EcoCentral management platform. 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.

To receive updates on all of Telkonet's developments, sign up for our email alerts [HERE](#).

ABOUT ETHOSTREAM

EthoStream is one of the largest public High-Speed Internet Access (HSIA) providers in the world, providing services to more than 5.0 million users monthly across a network of greater than 2,350 locations. EthoStream's EGS line of public-access gateway servers provides real-time monitoring and management of guest-access networks while its 24/7 support center is known for the highest levels of quality and service. With a wide range of product and service offerings and one of the most comprehensive management platforms available for HSIA networks, EthoStream offers solutions for any public access location. For more information, please visit www.ethostream.com.

FORWARD LOOKING STATEMENTS

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 Annual Report on Form 10-K for the year ended December 31, 2012 filed with the Securities and Exchange Commission.

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