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Telkonet SmartEnergy Selected by Prestigious Babson College to Reduce Energy Consumption

Installed in McCullough Hall dormitory to eliminate wasteful heating and cooling of rooms

GERMANTOWN, Md.--

Telkonet, Inc. (AMEX:TKO), the leader in providing in-building broadband access over existing electrical wiring, today announced that Babson College, located in Wellesley, Mass., has selected Telkonet SmartEnergy to manage the in-room energy consumption in the 120 room dormitory, McCullough Hall. Telkonet SmartEnergy, which incorporates the proven technology developed by Smart Systems International (SSI), eliminates wasted energy from heating and cooling unoccupied rooms. The system uses packaged terminal air conditioner (PTAC) controllers and occupancy sensors to adjust and maintain a room's temperature, sensing when the room is vacant or occupied.

Shelley Kaplan, associate vice president of facilities for Babson College, commented, "McCullough Hall was the perfect candidate for an energy management system, with its expensive, energy-intensive electric heating. We needed to take control of our energy costs, as we were paying to heat and cool students' rooms when they were in class and away during summer and Christmas breaks. Manually changing the temperature in each room was labor-intensive and inconsistent. After researching various energy management companies, we found the SSI technology to be the most cost-effective and reliable. Based on a trial, installation costs were lower by using wireless occupancy sensors, eliminating costly wiring. Recovery time was quick, with rooms returning back to the student's temperature setting within minutes upon their return. Most importantly, with the trial resulting in energy consumption savings of 30%, we can anticipate a payback within 2 years or less. Based on funding availability, we will look at installing the energy management system in our conference center/hotel next."

About Babson College

Babson College in Wellesley, Mass., is recognized internationally as a leader in entrepreneurial management education. Babson grants BS degrees through its innovative undergraduate program, and grants MBA and custom MS and MBA degrees through the F.W. Olin Graduate School of Business at Babson College. Babson Executive Education offers executive development programs to experienced managers worldwide. For information, visit www.babson.edu.

About Telkonet

Telkonet develops and markets technology for the high-speed transmission of secure voice, video and data communications over in-premise and shipboard electrical wiring. The revolutionary Telkonet iWire System(TM) utilizes proven powerline communications (PLC) technology to deliver commercial high-speed broadband access from an IP "platform" that is easy to deploy, reliable and cost-effective by leveraging a building's existing electrical infrastructure. Telkonet's products are designed for use in commercial and residential applications, including multi-dwelling units and the hospitality and government markets. Applications supported by the Telkonet "platform" include but are not limited to: VoIP telephones, Internet connectivity, local area networking, video teleconferencing, IP surveillance and a host of other IT services.

Telkonet SmartEnergy efficiently manages in-room energy usage with intelligent thermostats, packaged terminal air conditioner (PTAC) controllers and occupancy sensors. It significantly reduces energy consumption and improves energy efficiency by automatically adjusting the heating or air conditioning temperature when a room is vacant. The thermostat constantly calculates how far the temperature can vary to ensure it returns to the occupant's setting within minutes when they return to the room. The room temperature varies exactly far enough to achieve maximum savings, while ensuring the occupant's comfort. For more information, please visit www.telkonet.com.

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 revenues 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).

Source: Telkonet, Inc.