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Telkonet Advances Green Energy Efficiency with Innovative Energy Management Thermostat

New Version of Telkonet SS5000 Thermostat Expands Target Market by Maximizing Capacity for Field-Customization and Interoperability with the Widest Range of HVAC Manufacturers

GERMANTOWN, Md.--

Telkonet, Inc. (AMEX:TKO), the leading technology solutions provider for broadband networking, end-to-end service support and energy management, announced today a major evolution in its proven SS5000 Energy Management Thermostat line with the new Version 4.5 model. The new thermostat incorporates a range of significant technology advancements over its Version 4.0 predecessor, including increased HVAC system interoperability, customization and flexibility, as well as improvements to make installation easier. Reinforcing the market imperative of delivering interoperability, Telkonet has become an Adopter Member of the ZigBee Alliance, an association of companies working together to enable cost-effective, low-power, wirelessly-networked monitoring and control products based on an open global standard. The Company believes that the enhancements made to the Version 4.5 thermostat will make the product more desirable for its target markets, which are primarily the hospitality, commercial, education and government sectors, for which there is an increasingly critical need for efficient, cost-effective energy management solutions.

The new design increases the overall flexibility of the new thermostat, particularly its compatibility with a far wider range of PTAC and Fan Coil systems. The core has been completely re-engineered to use a flash-based CPU, which can be easily upgraded in the field to meet the control requirements of diverse systems. This ensures a high level of future-proofing, while guaranteeing its ease of integration with new product designs as they emerge, including new wireless mesh technologies. The Version 4.5 thermostat also operates across a larger voltage range - both AC and DC - further enhancing its inter-working with third-party equipment. With a data rate nearly 100 times faster than the previous 4.0 Version, and a dedicated serial interface for computer control and configuration, this thermostat offers dramatically improved communications across the entire energy management system - a particularly important feature for energy efficiency monitoring and accurate data analysis.

The fundamental benefit of Telkonet's Version 4.5 is the extensive degree of field-customization that it offers, greatly enhancing the speed and ease of installation. This capability addresses precisely how the thermostat can be fine-tuned for direct control over relays to give customized actions for heating, cooling, and multi-speed fan control without having to rewrite internal code. Settings can be field customized on screen or in more detail

with the SmartView software. Irrespective of whether the Version 4.5 is being interfaced to a 1- or 2-speed heat pump, for example, or a gas-based system, it can be quickly re-programmed to match the installation requirements exactly. "Our intensive development efforts have resulted in powerful technology advances, bringing this thermostat to a new level of flexibility and functionality with vast market potential," commented Jeff Sobieski, Telkonet's Executive Vice President of Energy Management. "The product is designed first and foremost to accommodate a high degree of customization, as a fundamental feature for successful operation with the broadest possible range of third-party HVAC equipment, greatly increasing its market potential. With our membership in the ZigBee Alliance, we plan aggressively to focus further on automation markets with our greater interoperability that ZigBee allows. The wireless mesh ability, along with the recently released Telkonet Series 5, provides the framework for our networked energy management system."

Telkonet's SS5000 Version 4.5 Energy Management Thermostat offers numerous wide-ranging benefits, including:

- Field upgradeable - flash-based CPU enables thermostat to be customized and adapted instantly to match customers' requirements
- Increased HVAC compatibility - without external equipment or adapter boards; allows operation across wider AC and DC power voltage ranges
- Faster operating speed with higher data rate - serial speed is 100 times faster than previous model and is now dedicated for both the wireless occupancy sensor and any serial/network devices attached
- Improved installation ease and speed - supports on-screen defaults for many common PTAC manufactures and supports both hard-wired and wireless occupancy sensors for all types of applications; also offers instant response times when programming codes into memory
- Advanced door or window monitoring - dry contact switch inputs allow for HVAC to be turned off if doors or windows are opened giving greater savings and control for Guest Room Energy Management
- Enhanced user features - additional fan speeds and user-friendly colored icons, plus optional animated icons for various fan speeds
- Optional wireless networking interface - a built-in high speed port on the board allows for an easy upgrade to future network-enabled systems
- Supports load shedding on demand - extra dry contact supports the ability to perform Load Shed events when used in conjunction with other services
- Patented Recovery Time(TM) Technology - uses Telkonet's proven energy savings technology, prioritizing energy efficiency and customer comfort

About Telkonet SmartEnergy

An advanced energy management system, Telkonet SmartEnergy (TSE) provides an economic, green approach to controlling HVAC usage and improving energy efficiency. It incorporates a patented technology - Recovery Time(TM) (RT) that performs constant real-time calculations to adjust and maintain a room's temperature based on occupancy. Unlike conventional fixed-setback systems, where the temperature is often forced to one fixed temperature in all rooms, RT takes into account a diverse range of factors to determine each room's energy efficient temperature, restoring the temperature to the users' desired comfort setting within minutes of returning to a room.

TSE has been proven to deliver a rapid return on investment, typically achieving quantifiable savings of around 30% by eliminating the wasteful heating and cooling of unoccupied rooms. Operating on an individual room-by-room basis, the system uses a combination of occupancy sensors, along with intelligent programmable thermostats or PTAC controllers, underpinned by RT's unique functionality that ensures rooms are never excessively hot or cold when an occupant returns to the room.

About Telkonet

Telkonet (www.telkonet.com) specializes in integrated solutions for broadband data networking and energy management, including in-building powerline communications (PLC) technology. Headquartered in Germantown, Maryland, USA, Telkonet serves thousands of customers worldwide. Telkonet's technology innovation is underpinned by end-to-end quality of service and comprehensive customer support. Its portfolio includes:

- The revolutionary Telkonet iWire System(TM), converting sites' existing internal electrical infrastructures into an IP network backbone.
- The integrated EthoStream platform for wired and wireless HSIA, differentiated by outstanding remote management tools and dedicated customer support facilities.
- Telkonet SmartEnergy, achieving 30% energy savings through intelligent in-room energy management.

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.