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# **Telkonet Targets South African Energy Market Opportunity With VAR Appointment**

**Telkonet enters South African market with combined powerline communications and energy management portfolio, appointing Makhoakhoa Industrial and Energy Group.**

GERMANTOWN, Md.--

Telkonet, Inc. (AMEX:TKO), the leading provider of innovative, centrally managed solutions for integrated energy management, networking, building automation and proactive service, across commercial, industrial and government applications, today announced that it has appointed Makhoakhoa Industrial and Energy Group (Pty) Ltd (Mak Energy) as its exclusive Value Added Reseller (VAR) for South Africa. This appointment marks Telkonet's entry into the South African market, with the partnership reflecting the significant market opportunities for energy efficiency initiatives in the region, against the background of massive power shortages and increasingly routine load shedding. A well-established provider of energy and communications systems, Mak Energy will represent Telkonet's integrated portfolio of cutting-edge powerline communications (PLC) and energy management solutions.

The South African market imperative to realize energy savings and fulfill meteorically rising demand is headline news, illustrated by electricity supply company Eskom and the Central Energy Fund already making more than US \$2 billion available to the private sector for this activity in the next 24 months. Telkonet is ideally placed to provide a viable single-platform solution for a wide range of demanding applications, following the recent launch of its next-generation 200Mbps Telkonet Series 5 PLC system. This specifically addresses the exacting broadband networking demands of the utility and commercial sectors. Integrated with the Telkonet SmartEnergy (TSE) advanced energy management system, Telkonet Series 5 provides a unique solution that combines comprehensive Ethernet connectivity with wireless-based monitoring and management tools.

Telkonet's President and CEO Jason Tienor believes that Mak Energy's market expertise, coupled with Telkonet's technology innovation, represent an ideal partnership, "South Africa is experiencing unprecedented demand for energy, and the emphasis is on finding new ways of delivering conservation and energy efficiency. With Mak Energy's representation, we believe that we can offer a unique proposition that harnesses the proven efficiencies of powerline communications with the most sophisticated energy management tools." The two companies are aggressively targeting initiatives such as Escom's US \$2 billion funding, as Mr. Tienor continues, "Winning even a small percentage of this business makes South Africa an important potential market. We believe that we can help make a real difference in this vitally important area, based on proven, low-cost, fast-deployment solutions. It is an exciting opportunity for both companies."

More funds are being announced for energy saving initiatives all the time, as Executive Chairman and acting CEO of Mak Energy, Simon Baete Putsoane explains, "The emphasis is on finding alternative ways of easing the energy crisis through energy saving, as opposed to just building additional power stations. The partnership between Telkonet and Mak Energy is a major step in this direction, helping South Africa and Escom to find new ways of achieving greater energy efficiency and ease the immediate burden on energy reserves. We are confident of making a meaningful contribution together."

### The Telkonet Integrated Approach

The revolutionary 200Mbps Telkonet Series 5 platform transforms a site's existing internal electrical infrastructure into an IP network backbone, without installing new cabling. It combines the traditional PLC benefits of fast, easy and non-disruptive installation, typically in hours or days rather than weeks. It provides complete flexibility in locating communication interfaces and supports connectivity to any Ethernet or serial device or application, across data, voice and video. It incorporates Telkonet's comprehensive built-in network management, without the need for drivers or additional software, enabling the remote monitoring and troubleshooting of communications networks. Telkonet Series 5 allows for the integration of the Telkonet SmartEnergy (TSE) advanced energy management system, via an optional Zigbee adaptor, providing a single solution for a wide range of applications, including video surveillance applications, industrial controls, in-building wireless and energy management.

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 savings up to and beyond 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 Mak Energy

Established in 2001, Makhoakhoa Industrial and Energy Group (Pty) Ltd (Mak Energy) is an energy and related broadband power line services company, headquartered in Johannesburg, South Africa. Mak Energy is a premier provider of efficient, cost-effective energy and communications solutions, servicing customers through-out South Africa. It is focused on the deployment of state of the art energy management and power line communications technologies and systems.

### About Telkonet

Telkonet ([www.telkonet.com](http://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.

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.