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Telkonet's Energy Management Solution Selected by Main Street Developers for New-Build Projects

Four New Hotels to Be Installed with Telkonet SmartEnergy This Year, as Key Element in Green New-Build Strategy

GERMANTOWN, Md.--

Telkonet, Inc. (AMEX:TKO), the leading provider of innovative, centrally managed solutions for integrated energy management, networking, building automation and proactive support services, has won the contract to supply Main Street Developers with Telkonet SmartEnergy(TM) (TSE), with the first systems being installed in four new properties during 2008 and early 2009. The hotel development company selected Telkonet after extensive evaluation of competitive energy management solutions, singling out Telkonet's patented Recovery Time(TM) technology as a major factor in the contract award. With six to ten franchised hotel projects underway each year, Main Street Developers plan to implement TSE universally as a core element in its green energy strategy.

Main Street Developers focus on exclusively new hotel development across six states in the Midwest, principally concentrating on hotels in the 60-120 room range. Current franchises include Candlewoods Suites, where the first TSE systems are to be installed - in Grand Rapids, MI; Rochester, MN; Janesville, WI; and Champaign, IL - involving a total of 366 rooms. The main system criteria was to enable optimum energy savings without any compromise to guest comfort, as Vince DeMarte, president, explains, "We were impressed with how Telkonet SmartEnergy overcomes the issues we have had with other energy management systems in the past, particularly with regard to guest comfort. We were looking for a solution that would not interrupt or affect guest satisfaction in any way. With Recovery Time, TSE delivers on all these counts. We have worked with Telkonet before and have a great relationship with the team, giving us confidence that we have made the right choice for Main Street's future energy management strategy." In addition, the four new Candlewood Suites hotels will be deploying the managed High Speed Internet Access (HSIA) service from Telkonet company, EthoStream. This encompasses an advanced, integrated HSIA system with 24/7 managed guest support services for continuous, proactive customer assistance.

With TSE, energy savings are realized by deploying Telkonet Energy Management Occupancy Sensors with smart, programmable Telkonet Energy Management Thermostats and Telkonet Energy Management Controllers to adjust and maintain a room's temperature according to occupancy, and avoiding any unnecessary heating or cooling of vacant rooms. Central to TSE's efficiency is the unique Recovery Time technology that works quite differently from a typical fixed-setback system, in which the temperature is set to one fixed

amount in all rooms. With TSE, each room's temperature is adjusted based on many factors, calculating how far it can drift from the occupant's preferred temperature setting, while ensuring the temperature will return to the occupant's setting within minutes upon their return. Additionally, the system reduces the run-time for heating, ventilation and cooling equipment, decreasing maintenance overheads and extending the equipment's working life.

About Main Street Developers

Main Street Developers, Inc. was formed in 2003 exclusively as a hotel development corporation. With extensive experience in developing Hilton, Intercontinental, Choice Hotels and Best Western franchises, the company's expertise saves investors time and money from the planning and development phases, through the construction and operational phases of each project. Main Street Developers goes far beyond its interest in developing hotels by investing and maintaining an ownership interest in the majority of its projects. For more information, please visit www.mainstreethotels.com.

About Telkonet

Telkonet's unique broadband networking solutions currently support more than 1.6 million network users per month, with its energy management systems optimizing energy consumption in over 80,000 rooms. Telkonet's technology innovation is underpinned by the highest level of end-to-end quality of service, with comprehensive technical customer support. Its systems deliver wide-ranging functionality, from wired and wireless high-speed Internet access to energy management, IP surveillance and local area networking. Telkonet's platforms are widely deployed on the global stage - in single buildings and ships, in multi-building complexes, hospitality venues and multi-dwelling units, and at government, education and defense locations.

Telkonet's innovations include the revolutionary Telkonet Series 5 and the Telkonet iWire System(TM), which convert a site's existing internal electrical infrastructure into an IP network backbone - quickly, cost-effectively and without disruption. The portfolio also includes the integrated EthoStream product suite, providing a comprehensive and advanced technology management platform for the hospitality industry, differentiated by outstanding remote management tools and a dedicated customer support facility. Telkonet SmartEnergy(TM) completes the line-up, delivering typical bottom line savings of 30% by controlling in-room energy consumption according to occupancy. For more information, please visit www.telkonet.com.

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Source: Telkonet, Inc.