Telkonet's EthoStream HSIA System Selected for Luxury Resort in Telluride, Colorado

First Installation for the Grand Heritage Hotel Group, Replacing Existing HSIA System at The Peaks Resort & Golden Door Spa

MILWAUKEE, WI -- (MARKET WIRE) -- 02/08/10 -- Telkonet's (OTCBB: TKOI) EthoStream Hospitality Network, the leading provider of hospitality gateway servers, high-speed Internet access (HSIA) solutions and technical support, today announced The Peaks Resort (www.thepeaksresort.com), a Grand Heritage Hotel Group property (www.grandheritage.com), has installed EthoStream's wireless HSIA platform into its 174 guest rooms and suites. Telkonet will also provide comprehensive customer support services, enabling proactive monitoring and management of the network infrastructure, and ISP connectivity for an initial term of three years.

As the landscape of hospitality Internet access continues to evolve, many hotels are under pressure to re-evaluate their HSIA systems in order to meet guest demand for always-on Internet connectivity, increased bandwidth requirements for streaming media and business connectivity applications, and the need to support the growing diversity of network applications. As part of its program to improve its high-speed Internet access amenity, The Peaks Resort engaged Telkonet to conduct a network audit and recommend measures to enhance network performance.

As a result of the audit and recommendations, The Peaks Resort engaged Telkonet to install Telkonet's EGS Pro Dual gateway, which virtually eliminates network downtime by providing redundant WAN connectivity and maximizes bandwidth available to guests with its load-balancing feature. This ensures that each hospitality guest is able to access essential business and personal applications while traveling. A key benefit of the EthoStream Hospitality Network is its integrated web-based management platform, the Remote Management Console (RMC), which enables property management and EthoStream's customer support organization to monitor all aspects of the HSIA system remotely from any Internet-enabled computer. Property management can quickly access real-time data to ensure all network devices are up and running, make instant changes to their network, and view bandwidth usage and reporting.

Jeff Henschel, Consulting Director of Technology for Grand Heritage Hotel Group, stated, "Telkonet's EthoStream Hospitality Network provides the total package needed for superior guest HSIA service. With the extensive features and functionality of the EGS and the RMC platform, we can remotely monitor the wireless antennas throughout the property, and instantly reboot them if needed, ensuring Quality of Service (QOS). This remote management ability, along with Telkonet's responsive in-house customer support team, will

ensure that we are delivering the ultimate HSIA experience to our guests at our resort."

Jason Tienor, Telkonet President and CEO, states, "We are pleased that Grand Heritage Hotel Group selected our EthoStream Hospitality Network and look forward to working with them further on fulfilling their needs for enhanced HSIA services for their exceptional resort properties."

About Telkonet

Telkonet, a Clean Technology company, provides integrated, centrally-managed energy management and Smart Grid networking solutions that improve energy efficiency and reduce the demand for new energy generation. The company's energy management systems are dynamically lowering HVAC costs in over 180,000 rooms, and are an integral part of various utilities' green energy efficiency and rebate programs.

Telkonet's [EthoStream's Hospitality Network](#) provides hospitality gateway servers, high-speed Internet access (HSIA) solutions, and proactive technical support to more than 2,350 properties and over 2.2 million users. As a preferred or endorsed provider for some of the world's largest hotel franchisors, EthoStream's Hospitality Network is the most comprehensive technology management platform available. www.telkonet.com.

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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 Registration Statement and in its Reports on Forms 8-K filed with the Securities and Exchange Commission (SEC).

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