

Telkonet's Powerline Communications System Provides a High Bandwidth Solution for Reseller Allied Communications

Initial Installation of Telkonet iWire System in Luxury, Hi-Rise Condo in Bal Harbour, Florida

MILWAUKEE, WI -- (MARKET WIRE) -- 02/22/10 -- Telkonet, Inc. (OTCBB: TKOI), a Clean Technology company that develops, manufactures and sells proprietary energy management and SmartGrid networking technology, is helping its recently appointed value-added reseller ("VAR"), Allied Communications, deliver a comprehensive voice and data solution for the hospitality and multi-dwelling unit ("MDU") markets with its proven powerline communications (PLC) system. Allied Communications, a nationwide data and telecommunications solutions provider, needed a wired, high-speed Internet access (HSIA) system to service its MDU customer base, as well as a low-cost solution that avoided having to install expensive traditional CAT-5 wiring. The Telkonet iWire System provides an exact match to these needs, delivering reliable broadband Internet access over a building's existing internal electrical wiring. Telkonet's system is being installed in the luxury 21-story Balmoral Bal Harbour condos as the first of a series of MDU installations.

"The relationship between Telkonet and Allied Communications gives us the ability to provide an entirely complete solution for both hospitality and large building services as a bulk offering," said Jon Rees, President of Allied Communications. "Powerline communications technology is the optimum way of providing shared bandwidth in a building. End of story. Wireless was a great fit for yesterday, but not today, as the typical Internet user draws so much bandwidth that wireless cannot keep up. Demand for bandwidth is only going to increase with the evolution of the Internet, especially with IPTV. PLC can support these bandwidth-intensive needs for each individual user. The Telkonet iWire system represents the link that makes the end user's overall Internet experience a positive one, and gives us a truly cost-effective solution. After the first installation of Telkonet's system at the Balmoral Bal Harbour condos, we look forward to bundling Telkonet's iWire System with our bulk services offering for similar projects."

The Telkonet iWire System overcomes many of the challenges in providing cost-effective, secure, reliable, and instant high-speed Internet access for the MDU sector, avoiding the need to rewire a building with cost-prohibitive CAT-5 or fiber. With Telkonet's PLC technology, costs are significantly lowered and installation timeframes reduced. An additional benefit is that there are no issues with who owns the wires, as is often the case with cable companies, and no need to enter tenant units to install the system. PLC also offers the users total flexibility, as the Internet is accessible at any electrical outlet, rather

than being limited to where the cable outlet is located. With PLC delivering wired HSIA, connectivity is both secure and reliable, with high throughput and bandwidth.

About Allied Communications

Allied Communications, based in Connecticut, is an established, customer-driven, results-oriented data / telecommunications company, offering a rare combination -- the power and resources of a large national company and the personal service of a local business. The company's award-winning staff assists in all phases of planning, design, installation and maintenance of voice and data solutions, and offers comprehensive Customer Service with its one-call technical support. www.alliedphone.com.

About Telkonet

Telkonet is one of the market-leading Clean Technology companies providing integrated, centrally-managed energy management and SmartGrid networking solutions to the emerging \$50 billion SmartGrid and Energy Efficiency markets. Its products improve energy consumption and reduce the demand for new energy generation. Telkonet is one of the top three occupancy-based energy management control providers in each of the hospitality, commercial, military, healthcare and education markets. The Company's in-room energy management systems are lowering heating and cooling costs in over 180,000 rooms and are an integral part of various utilities' green energy efficiency and rebate programs.

Primarily targeting SmartGrid and utility applications, Telkonet's patented powerline communications (PLC) platform delivers cost-effective, robust networking, with real-time online monitoring and maintenance capabilities, increasing the reliability and energy efficiency across the entire utility grid. Telkonet's PLC solutions also provide a compelling, cost-effective answer to the residential MDU market's (comprised of more than 10 million tenants in 860,000 residential buildings and apartment complexes) high-bandwidth demands. www.telkonet.com.

All company, brand or product names are registered trademarks or trademarks of their respective holders.

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).

Image Available: http://www2.marketwire.com/mw/frame_mw?attachid=1180482

Media Contacts:

Telkonet Investor Relations
240.912.1811
ir@telkonet.com

Garrett Axford:
Georgina Garrett / Simon Jones
866.940.9987

+44.1903.854900

mail@garrett-axford.co.uk