

March 24, 2010



Telkonet Announces Multi-Year SmartEnergy Contract and Year-End Earnings Call

Telkonet Awarded Three Year Renewal With Ecology Action for Energy Efficient Lodging Program and Also Announces Fourth Quarter and Year-End Earnings Call on Wednesday, March 31, 2010

MILWAUKEE, WI -- (MARKET WIRE) -- 03/24/10 -- Telkonet, Inc. (OTCBB: TKOI), a leading Clean Technology company focusing on proprietary energy management and SmartGrid networking technology, today announced it has been awarded a three year contract renewal from Ecology Action, a leading regional provider of environmental and conservation consulting services. Ecology Action implements Pacific Gas & Electric's (PG&E) successful LodgingSavers Program in Northern California, delivering a comprehensive suite of rebated energy efficiency retrofits to lodging properties in the region. The rebate covers 100% of product and installation costs for Telkonet's occupancy sensors, programmable thermostats and PTAC controllers, which significantly reduce heating and air conditioning usage -- the largest guestroom operating expense.

The U.S. hospitality industry spends \$3.7 billion a year on energy, with electricity accounting for 60-70 percent of the utility costs. According to the federal government's Energy Star program, U.S. hotels spend an average of \$2,196 per available room each year on energy -- the fastest growing operating cost in the industry. A decrease of 10-percent in energy costs equates to a 60-cent increase in revenue per available room for limited-service hotels and more than a \$2 increase for full service hotels. By reducing electricity consumption, hotels can reduce their carbon footprint as well as improve their bottom line.

PG&E's LodgingSavers Program has been extended for an additional three years, after bringing over \$4,000,000 in financial assistance to hospitality properties, promoting energy conservation and reducing energy consumption. Telkonet has been a key participant from the program's start, reducing HVAC runtime from 20% to 50%, representing hundreds of hotels and thousands of guestrooms and saving over 32,000,000 kWh -- the equivalent of taking 3,650 cars off the road for a year.

"The LodgingSavers Program presents an incredible opportunity for hotels to implement green measures and demonstrate environmental responsibility," said Darren Nix, Program Manager of LodgingSavers for Ecology Action. "The Telkonet SmartEnergy system delivers tangible energy savings, proving itself repeatedly over the past three years. The system is very simple to install and, most importantly, totally transparent to guests, ensuring their comfort at all times. We are pleased to continue our relationship with Telkonet and their participation in this successful energy efficiency program."

Telkonet also announced today that it will host an investor teleconference to discuss the results and business outlook for 2010 at 4:30 p.m. Eastern Standard Time on Wednesday, March 31. To attend the teleconference, please dial 866.893.4204 (US/Canada) and use the passcode 64840687. There will be a replay of the call available until April 30th, 2010 posted on the Investor Relations page of the Telkonet web site at <http://www.telkonet.com/investors/investor.php>.

About Ecology Action

Ecology Action is a leading, regional provider of innovative energy and conservation strategies and services that address climate change, conserve natural resources, improve quality of life and contribute to a sustainable economy. For nearly 40 years, Ecology Action has been on the leading edge of developing pragmatic, collaborative conservation programs in Northern California. Operating as an entrepreneurial non-profit corporation, Ecology Action manages dozens of programs and initiatives across several divisions including Climate Action Solutions, Energy Efficiency, Pollution Prevention/Zero Waste and Transportation. (www.ecoact.org)

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. 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. (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).

Media Contacts:

Telkonet Investor Relations, 240.912.1811, ir@telkonet.com