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Telkonet SmartEnergy(TM) and Alliant Energy Deliver Energy Efficiency to Volk Field Air National Guard Base

Utility Company Programs, Such as Alliant Energy's Shared Savings Program, Allow a Variety of Organizations to Invest in Energy-Efficient Technologies With No Up-Front Capital Investment

MILWAUKEE, WI -- (MARKET WIRE) -- 05/25/10 -- Clean Technology provider Telkonet, Inc. (OTCBB: TKOI) today announced the successful installation of Telkonet SmartEnergy (TSE) energy efficiency equipment in 257 rooms of military lodging at Volk Field in Camp Douglas, Wisconsin, one of only four combat readiness training facilities in the nation. This install marks yet another successful military base retrofit using Telkonet's energy efficiency equipment. Installed in May 2010, the TSE system will improve energy efficiency by up to 30% or more for heating and cooling equipment by adjusting and maintaining each room's temperature based on occupancy, using a combination of occupancy sensors and packaged terminal air conditioner (PTAC) controllers.

"This installation at Volk Field brings the total number of Telkonet SmartEnergy controls in military lodging to nearly 4000 units in 2010 alone," said Jeremy Griesbach, Vice President of Global Sales at Telkonet. "These installs showcase the TSE system as the most cost effective and leading solution to assist military facilities meet their energy savings goals. The increased interest in and proven results of SmartEnergy makes us optimistic about our ability to successfully compete for future projects within the military housing market. The Telkonet solution not only reduces energy consumption, but is also a smart financial investment that pays for itself many times over, automatically and transparently."

Telkonet SmartEnergy was implemented at Volk Field with the help of Alliant Energy's Shared Savings, a program enabling Minnesota and Wisconsin businesses to invest in high-efficiency, energy-saving equipment with no up-front cost. Alliant Energy's Shared Savings loan program pays for the initial cost of energy efficiency equipment, such as Telkonet SmartEnergy thermostats and sensors, while customers repay on each month's utility bill over a contract term of typically five years. Because utility bills are reduced as a result of the energy saving equipment, properties can see immediate improvement to the bottom line, even during the term of repayment, without financial risk.

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's SmartEnergy 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.

www.telkonet.com

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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