

August 17, 2010



Telkonet Providing Energy Efficiency Solutions to City of Milwaukee

City of Milwaukee Continues Energy Efficiency Goals With Use of Telkonet SmartEnergy(TM) in Department of Public Works Fleet Service Facilities Throughout the City

MILWAUKEE, WI -- (MARKET WIRE) -- 08/17/10 -- Telkonet, Inc. (OTCBB: TKOI), a leading Clean Technology company committed to integrating intelligent networking and smart energy management solutions, announced today that it has installed occupancy-driven Telkonet SmartEnergy (TSE) energy management systems at three satellite offices for the City of Milwaukee Department of Public Works. The SmartEnergy systems are projected to reduce HVAC system run times at each location by an average of 23 percent, saving an average of 540 therms / year of natural gas and 775 KWh / year of electricity for each installed system. The energy savings are expected to pay for the systems within the first 14 months of operation.

"The room-by-room energy savings that Telkonet SmartEnergy generates translate into substantial savings on heating and cooling costs. Our intelligent thermostats and occupancy sensors are a perfect fit for the City of Milwaukee's energy efficiency goals; we save the city money by reducing HVAC system run times but also help advance energy policy initiatives," said Jeff Sobieski, COO of Telkonet. "The rapid ROI and green energy savings prove that the SmartEnergy solution isn't only good for the environment, it's a smart financial investment that pays for itself many times over, automatically and transparently."

The first of the installations for the City of Milwaukee began in early 2010 at Lincoln Garage. Early data is showing over 20% run time savings for the facilities' HVAC system. Telkonet has also installed SS5000 thermostats and SS2000 occupancy sensors at the 6th Street Sanitation and 35th Street Sanitation offices. According to the Milwaukee Office of Environmental Sustainability website, energy efficiency is just one aspect of a three part initiative in Milwaukee's adoption of a forward-looking energy policy. The Milwaukee city government is leading by example through its aggressive three-part smart policy of energy efficiency, energy conservation, and renewable energy resources.

With TSE, energy savings are realized through the deployment of intelligent, programmable, in-room Telkonet Energy Management Thermostats and Sensors. These devices adjust and maintain a room's temperature according to occupancy and environmental factors, avoiding wasting energy through the unnecessary heating or cooling of vacant rooms. Central to TSE's ability to achieve maximum energy savings and occupant comfort is Telkonet's distinctive and patented Recovery Time technology, which ensures maximum energy efficiency without compromising comfort.

About Telkonet

Telkonet is a leading Clean Technology company, providing integrated intelligent utility networking and smart energy management technology to the emerging SmartGrid market, with a forward focus on the fast-growing Home Area Network (HAN) sector. Telkonet develops advanced solutions that reduce demand for new energy generation, delivering vital tools for controlling energy consumption. Telkonet is a leading occupancy-based energy management controls developer, with solutions lowering heating and cooling costs in hundreds of thousands of rooms worldwide. Telkonet also operates the EthoStream Hospitality Network, providing high-speed Internet access and proactive guest support to over 3.2 million users per month. <http://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).