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Telkonet Partnership With US Navy Awarded First-Ever Authority to Operate (ATO) for Wireless Solution

Telkonet Partners With US Navy to Achieve Implementation First

MILWAUKEE, WI -- (MARKET WIRE) -- 06/22/11 -- Telkonet, Inc. (OTCQB: TKOI), a leading Clean Technology company committed to integrated intelligent networking and smart energy management solutions, announced that the US Navy has received one of the first ever awarded Authorization to Operate (ATO) orders for wireless networking solution designated to transport sensitive information from outside a vessel to inside the hull. This ATO represents a significant milestone in the planning and development of wireless solutions created to improve efficiencies in the US Navy's maintenance operations. Telkonet's Series 5 product line provided key connectivity enabling the wireless signal to penetrate the exterior of the naval vessels and be distributed effectively throughout the internal spaces of the vessel undergoing repairs or maintenance.

The ATO was awarded for a wireless solution that will deliver connectivity to shipyard mechanics and supervisors while working on vessels while undergoing maintenance. The wireless solution utilizes Telkonet Series 5 PLC and wireless networking gear to provide a data-transport medium to extend wireless networking signals inside the hull of a vessel undergoing repairs or alterations. Telkonet worked extensively with Navy project personnel throughout the system development and approval process to ensure the challenging site conditions would not degrade performance of the equipment.

"This award represents a significant step for our technology and demonstration of its value in strategic implementations assisting the US Military. We look forward to working with the Navy throughout this implementation and many more," stated Jason Tienor, Telkonet's Chief Executive Officer.

About Telkonet

Telkonet is leading energy management technology provider offering hardware, software and services to Commercial customers throughout the world. The EcoCentral Platform, in conjunction with the EcoSmart Suite of products, provides comprehensive savings, management and reporting of a building's energy consumption. Telkonet's energy management products are installed in properties within the Hospitality, Military, Educational, Healthcare and Residential markets reducing energy consumption and eliminating the need for new energy generation. 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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