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Telkonet Continues Rapid Growth of EthoStream Hospitality Network

Concord Hospitality Awards Telkonet Contract for Tier-1 HSIA Call Support of 80+ Hotel Properties

MILWAUKEE, WI -- (MARKET WIRE) -- 07/25/11 -- Telkonet Inc. (OTCBB: TKOI), operator of one of the largest hospitality Internet service networks supporting more than 4.1 million users monthly, has been chosen to provide its best-in-class high speed Internet access (HSIA) guest support services to a group of 80+ hospitality properties owned or operated by the Concord Hospitality management firm of Raleigh, NC.

In order to maximize quality of service and proactive support provided to hotel guests, Concord selected Telkonet's EthoStream Hospitality division to handle Tier-1 technical support calls from guests. As the most trafficked hospitality Internet access network in the U.S., Telkonet's EthoStream Hospitality Network will provide guests and properties alike with the highest level of Internet service and support available.

"Telkonet's call support technicians are knowledgeable technology professionals that do a great job at diagnosing guest issues logically rather than using call scripts," said Jacob Williams, Concord's Director of Information Technology. "Our guests are happier, support issues are resolved faster, and we can focus on innovating and growing our business rather than troubleshooting individual connection issues."

Concord's hotel portfolio includes brands such as Marriott, Sheraton, Hilton, Choice, and Hyatt. These 80+ properties, located throughout the United States and Canada, offer some of the best guest experiences available.

"We're very proud to add Concord's locations to our EthoStream Hospitality Network and provide them with the hospitality industry's best HSIA call support solution," said Matt Koch, Telkonet's VP of Operations. "We look forward to continued growth through partners and management groups such as this."

Telkonet has grown to become one of the largest HSIA solution providers in the world, known by hotel managers and guests for its exemplary customer service. EthoStream currently provides access to more than 4.1 million users monthly across more than 2,300 locations. The EthoStream Hospitality Network offers access through its best-in-class EGS server line, which is integrated with Telkonet's comprehensive cloud-based management services and network management capabilities. Using Telkonet's Remote Management Console, customers can track quality, usage, service, and other metrics in real time.

ABOUT TELKONET

Telkonet is a 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, carbon footprints and eliminating the need for new energy generation. www.telkonet.com

ABOUT ETHOSTREAM

EthoStream is one of the largest public High-Speed Internet Access (HSIA) providers in the world providing services to more than 4.1 million users monthly across a network of greater than 2,300 locations. EthoStream's EGS line of public-access gateway servers provides real-time monitoring and management of guest-access networks while its 24/7 support center is known for the highest levels of quality and service. With a wide range of product and service offerings and one of the most comprehensive management platforms available for HSIA networks, EthoStream offers solutions for any public access location. www.ethostream.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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