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Telkonet and UC Davis Expand Energy Management Into California University's Dormitories

EcoSmart Suite Selected for Additional Dormitories at University of California at Davis

MILWAUKEE, WI -- (MARKET WIRE) -- 07/28/11 -- Telkonet, Inc (OTCBB: TKOI), developer of the revolutionary EcoSmart energy management platform, announced today that it has expanded the rollout of EcoSmart products and services to Facilities Management of the Student Housing Department at the University of California at Davis. This continued expansion of Telkonet EcoSmart products into additional dormitories comes several months after a successful pilot installation at Webster Hall, located within the Cuarto Housing complex. The Webster Hall student housing facility consists of 2 to 3 bedroom suites serviced by water source heat pumps, now equipped with Telkonet ZigBee-enabled EcoInsight Thermostats. The dormitory rooms and lounges are remotely monitored and controlled via Telkonet's EcoCentral based platform.

With UC Davis' Student Housing Facilities Management approval of EcoSmart's performance and reliability at Webster Hall, the decision to install both Potter Hall and Sereno Hall was forthcoming. The expansion projects included self-installation by the UC Davis Student Housing Facilities Management Department, which has taken an active role in working with Telkonet's Engineering Department to become self sufficient with installation, maintenance and service of the EcoSmart System. Telkonet EcoCentral now provides remote management of all three residence halls, each of the dormitories is networked into the campus' Wide Area Network, providing a scalable, cost-effective energy management solution.

UC Davis Student Housing now has the tools needed to control energy usage and monitor mechanical systems within its dormitory rooms. Programming capabilities include Telkonet's patented Recovery Time energy efficiency capabilities and automated temperature setback and scheduling with discrete profiles for managing school schedules and seasons.

"After becoming familiar with how flexible and effective the EcoSmart System is, we decided to deploy the system in Potter and Sereno Halls ourselves. Our HVAC shop is now equipped to program and maintain EcoSmart in house, and we are moving forward with additional installations immediately. EcoSmart products provide excellent energy savings, but they also provide a huge upgrade to resident experience when compared with traditional fancoil controls -- they don't just save energy, they look great too," said *Dave MacKinnon of UC Davis Student Housing*.

Jason Tienor, CEO, Telkonet, Inc., said, "The continued acceptance of our EcoSmart product line within the Higher Education market is a great validation of our technology. As

colleges and universities continue to seek areas in which they can become more energy efficient, Telkonet continues to demonstrate its leadership and value for these projects."

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, Carbon footprints 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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