

Luxury Five-Star Hotel in Dubai Selects Telkonet's EcoSmart Energy Management Technology

Kempinski Hotel Mall of the Emirates Demonstrates Commitment to Luxury & Sustainability

MILWAUKEE, April 17, 2012 /PRNewswire/ -- Telkonet, Inc. (OTC BB: TKOI), developer of the revolutionary EcoSmart energy management platform and patented Recovery Time™ technology, announced today that the Kempinski Hotel Mall of the Emirates in Dubai has become the latest hospitality leader to select Telkonet's cloud-based EcoSmart energy management platform.

(Logo: https://photos.prnewswire.com/prnh/20111011/NY83909LOGO)

The 506,000 square foot (47,000 sqm) Five-Star Hotel is attached to one of the biggest shopping malls in the world as well as the United Arab Emirates' (UAE) first indoor ski slope. The hotel is 17 stories high, with an outside pool-terrace situated on the second floor and 393 rooms and suites including 15 chalets with views over the indoor ski slope.

The Kempinski Hotel Mall of the Emirates, recipient of Best New Five Star Hotel and Best Tourism Project honors at the 2007 Middle East and North Africa Tourism Awards, selected EcoSmart's energy management technology to reduce energy usage while maintaining the property's high guest comfort standards. Varis Energy, Telkonet's Middle East-based partner and energy management solution provider, has developed and will deliver the energy management solution. The hotel expects EcoSmart to reduce overall electricity and chilled water consumption, in addition to extending the useful life of mechanical systems and cutting associated maintenance costs. To ensure the continued comfort of guests, EcoSmart will integrate fully with the hotel's work order management system, streamlining response times to any reported issues in guestrooms.

Jayakumar Pillai, Director of Technical Services at Kempinski Hotel Mall of the Emirates said, "We evaluated a number of solutions during our search for an effective room management system that could significantly reduce waste energy in our guestrooms without impacting our guests' experience. We found that the Recovery Time technology employed in the EcoSmart system with its automated dynamic setback added to ease of installation in a retrofit scenario, the savings it can bring to engineering costs, and many other great features more than exceeded our initial requirements."

Alejandro Bernabe, the hotel's General Manager, said, "Kempinski Hotel Mall of the Emirates has been implementing a rigorous environmental strategy since 2008 with a view to becoming Dubai's leading light in environmentally sound hotel operations. We have won a number of awards that reinforce our stance on greener methods and systems. Deployment

of the EcoSmart system is another step in our efforts to marry luxury with eco-friendliness within our operations, and we look forward to the completion of the implementation phase."

David Burns, CEO, Varis Energy, said, "This property wanted a web-based system that was simple to use, aesthetically pleasing, and most importantly capable of providing considerable energy savings without ever compromising guest comfort. The ability of the EcoSmart system to self-monitor and enable the hotel management to respond to guest comfort issues from any web-connected device without needing to visit the rooms, were also important consideration. We installed a number of test rooms to evaluate the EcoSmart technology, and the EcoSmart system performed exceptionally well throughout the process, and we received remarkably positive feedback from the guests who stayed in the test rooms."

In the past year, Telkonet's EcoSmart platform has expanded into the luxury hotel marketing in the Middle East, as well as in the United States and Caribbean. "As a new channel partner, we have a great working relationship with Varis Energy and are delighted with their abilities and to support them with this great win. We look forward to many more in their region," said Jason Tienor, CEO of Telkonet.

ABOUT KEMPINSKI HOTEL MALL OF EMIRATES

A luxurious alpine retreat in the heart of the Middle East's most glamorous and cosmopolitan city, Kempinski Hotel Mall of the Emirates brings the magic of winter to Dubai: the five-star hotel is attached to the United Arab Emirates' first indoor ski slope. The elegant hotel is one of Kempinski's most unique city properties, combining exciting shopping, entertainment and dining options with lavish accommodation.

ABOUT KEMPINSKI HOTELS

Kempinski Hotels, Europe's oldest luxury hotel group, was created in 1897. Kempinski's rich heritage of impeccable personal service and superb hospitality is complemented by the exclusivity and individuality of its properties. Kempinski now comprises a portfolio of 72 five-star hotels in 31 countries and continues to add new properties in Europe, the Middle East, Africa and Asia. The portfolio comprises historic landmark properties, award-winning urban lifestyle hotels, outstanding resorts, and prestigious residences. Each one imbues the quality guests have come to expect from Kempinski while embracing the cultural traditions of its location. Kempinski is a founding member of the Global Hotel Alliance, the world's largest alliance of independent hotels.

ABOUT VARIS ENERGY

Based in Dubai, UAE, Varis Energy provides innovative wireless solutions for both retrofit and new build applications. By taking advantage of modern wireless technology from ZigBee and EnOcean, Varis deliver optimum energy efficiency solutions without the need for expensive cabling infrastructure. For more information, visit www.varisenergy.com.

ABOUT TELKONET

Telkonet, a leading United States-based energy management technology provider, offers hardware, software and services to commercial customers worldwide. The EcoSmart suite of products, along with the EcoCentral management platform, can reduce energy

consumption, HVAC runtime and utility costs in most building environments. Telkonet's energy management products have the power to reduce energy consumption, minimize carbon footprints and help eliminate the need for the construction of new power plants. For more information, visit 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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