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Ellicott Development Company Selects Telkonet's EcoSmart Energy Management for Hotels in Western N.Y.

Green Lodging Energy Secures Relationship with Major Property Management Company

MILWAUKEE, Aug. 6, 2013 /PRNewswire/ -- Telkonet, Inc. (OTCQB: TKOI), whose complementary business divisions include EcoSmart, an intelligent energy management technology solution and EthoStream, one of the largest high-speed Internet access ("HSIA") providers in the world, is pleased to announce the addition of three new hospitality installations with Ellicott Development Company ("Ellicott Development"), Buffalo, NY's largest commercial property developer.

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

Installations of EcoSmart energy management have been completed at three of six hotels owned by Ellicott Development: the 82-room Country Inn & Suites located in West Seneca, NY, the 120-room Wyndham Garden Hotel & Suites and the 105-room Staybridge Suites, both of which are located in Amherst, NY. Green Lodging Energy, one of Telkonet's strategic partners, facilitated the relationship with Ellicott Development and will provide comprehensive post-installation service and support for the hotels.

EcoSmart is a complete suite of energy management solutions, both wired and wireless, that can be configured for properties of all sizes. EcoView occupancy sensors monitor rooms for motion, body heat and ambient light. EcoInsight and EcoWave thermostats, working in conjunction with the occupancy sensors, balance energy usage and room comfort. EcoGuard outlets can control power to lights, entertainment centers, minibars, and more.

Thomas Hannon, Ellicott Development's Director of Buildings, installed energy management systems from several of Telkonet's major competitors prior to discovering the major advantages offered by the EcoSmart technology platform.

"We've tried numerous solutions and recently concluded that Telkonet's EcoSmart energy management provides Ellicott Development with the most efficient HVAC operation for energy savings and the most advanced remote management capability of any technology on the market today," said Hannon.

"There's no other technology currently available that gives us the features and functionality we need to effectively monitor and manage hundreds of rooms at separate locations simultaneously," Hannon added.

Ellicott Development has already embraced the competitive benefits of Telkonet's

EcoCentral Virtual Engineer, the new control center for EcoSmart energy management.

Among its many industry-leading features, the intelligent, cloud-based EcoCentral Virtual Engineer can quickly identify HVAC units that may be malfunctioning, facilitate participation in demand response events, and track progress toward energy saving goals.

EcoCentral Virtual Engineer processes room-by-room data collected by EcoSmart's in-room technology into 25 usable, actionable reports, providing property owners with the information necessary to maintain an efficient and effective energy management system.

"The reports in Virtual Engineer help me proactively dispatch maintenance teams and prevent unscheduled emergency repairs--enabling me to guarantee that our guests never have to report an HVAC issue," said Hannon.

Mark Mortellaro, President of Green Lodging Energy, values the remote monitoring features of Telkonet's EcoCentral Virtual Engineer. To help ensure continuity of savings, he offers clients a complimentary post-installation maintenance agreement.

"When a client provides us with access to a hotel in EcoCentral Virtual Engineer, we can monitor real-time and historical data, determine which rooms may be in need of a check-up, and send our local maintenance crew to follow up on an issue," said Mortellaro. "I believe offering local, on-site service after the installation is invaluable to our customers. The repeat business we receive--from property management groups like Ellicott Development installing several hotels--reinforces the importance of superior customer service."

A Telkonet partner since 2011, additional Green Lodging Energy EcoSmart installations include Pier House 60 Marina Hotel in Clearwater Beach, FL; TradeWinds Island Grand Resort in St. Pete Beach, FL; Holiday Inn Hotel & Suites in Clearwater Beach, FL; and Holiday Inn Harbourside in Indian Rocks Beach, FL.

ABOUT ELLICOTT DEVELOPMENT COMPANY

Ellicott Development Company is a multi-faceted, fully integrated Property Management, Leasing and Development Firm with property developments throughout Niagara, Upstate New York and Western Pennsylvania. At present, Ellicott Development is responsible for the management of over 1,500,000 sq. ft. of office space in Downtown Buffalo, over 1,000,000 sq. ft. of retail space throughout New York and Western Pennsylvania, six major hotels in the Western New York, as well as over 550,000 sq. ft. of residential apartments, condominiums and townhomes in the Buffalo/Niagara region. For more information, visit www.ellicottdevelopment.com.

ABOUT GREEN LODGING ENERGY

Green Lodging Energy provides energy efficiency technology and strategies targeted at the hospitality marketplace. By embracing cutting-edge in-room technology with proven installation practices, resources and staff, Green Lodging Energy provides hotels and resorts with a full-service energy management solution. For more information, visit www.greenlodgingenergy.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, which includes EcoInsight and EcoWave intelligent thermostats, the EcoView

occupancy sensor and the EcoGuard energy management outlet, can be deployed in most building environments to cut utility costs and enable remote monitoring and control using the EcoCentral management platform. Telkonet's energy management products have the power to reduce energy consumption, minimize carbon footprints and reduce the need for new power plants. For more information, visit 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).

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