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Telkonet, Inc. Announces New \$2 Million Revolving Line of Credit

MILWAUKEE, Oct. 2, 2014 /PRNewswire/ -- Telkonet, Inc. (OTCQB: TKOI), whose complementary business divisions include EcoSmart™, an energy management technology platform featuring Recovery Time™ technology, and EthoStream®, one of the largest hospitality High-Speed Internet Access providers in the world, announced today that it has successfully closed on a \$2.0 million revolving line of credit to fund its growth initiatives. The credit line has been established with Heritage Bank of Commerce (NASDAQ: HTBK), through their Corporate Finance Group.



"We're extremely pleased to enter into this banking relationship with Heritage Bank of Commerce as it provides Telkonet with the necessary flexibility and capital to rapidly expand our top line growth and accelerate channel activity," stated Jason Tienor, CEO of Telkonet. "With our backlog of signed contracts reaching new record levels, it's important that we have the necessary capital to meet the needs of our project funnel and rapid increase in project size."

"We're excited about the opportunity to work with Telkonet. They are a growing leader in their target markets and we look forward to being a part of their long-term success," said Mike Hansen, Senior Vice President and Manager of the Corporate Finance Group. "We believe Telkonet has a fundamentally strong business and our capital line will enable the company to pursue greater market penetration."

For additional information, please refer to the Company's 8-K and corporate filings which can be found within the Investor Relations section at www.telkonet.com or at the SEC web site, www.sec.gov.

ABOUT TELKONET

Telkonet is a leading energy management technology provider offering hardware, software and services to Commercial customers throughout the world. The Company's complementary business divisions include EcoSmart™, an energy management technology platform featuring Recovery Time™ technology, and EthoStream®, one of the largest hospitality High-Speed Internet Access networks in the world.

www.telkonet.com

ABOUT ECONCENTRAL AND ECOSMART

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.

<http://www.telkonet.com/products/ecosmart/>

ABOUT ETHOSTREAM

EthoStream is one of the largest public High-Speed Internet Access (HSIA) networks in the world providing services to more than 8 million users monthly across a network of greater than 2,400 locations. EthoStream's EGS line of public-access gateway servers provide 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

About Heritage Bank of Commerce

Heritage Commerce Corp, a bank holding company established in February 1998, is the parent company of Heritage Bank of Commerce, established in 1994 and headquartered in San Jose with full-service branches in Danville, Fremont, Gilroy, Hollister, Los Altos, Los Gatos, Morgan Hill, Pleasanton, Sunnyvale, and Walnut Creek. Heritage Bank of Commerce is an SBA Preferred Lender with an additional Loan Production Office in Lincoln, California. For more information, please visit www.HeritageCommerceCorp.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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