

April 17, 2013



Telkonet's Partnership with Pacific Energy Service Flourishes as Hospitality Industry's Appetite for Energy Management Surges

Award-Winning Energy Management Solutions Supported by Progressive Funding Program

MILWAUKEE, April 17, 2013 /PRNewswire/ -- Telkonet, Inc. (OTC BB: TKOI), developer of the EcoSmart energy management solution featuring Recovery Time™ technology, announced that its technology partnership with Pacific Energy Service ("PESF") recently reached a milestone as PESF surpassed 10,000 total rooms in which they have sold and installed Telkonet's EcoSmart energy management technology

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

Troy Hartmann, PESF President stated: "I am very pleased with the continuing relationship we have with Telkonet. In our opinion, the EcoSmart energy management technology is one of the best, if not *the* best, solution for successfully managing a building owner's energy consumption and load-sharing abilities. The number of installations and networks we've been able to provide is the result of not only the hospitality industry, but also the state and local governments recognizing the tremendous cost savings that are achievable through energy management and how this technology improves maintenance practices and contributes to the reduction of greenhouse gases."

In the past six months alone, PESF has installed fully-networked [EcoSmart energy management](#) systems in approximately 2,000 rooms throughout California, New York, San Francisco and Baltimore locations. These include projects for Chartres Lodging Group, Starwood Hotels, Sunstone Hotels and a premier collection of five luxury properties located in San Diego, with another 740 rooms scheduled for installation over the next few months.

Funding for the installation of EcoSmart at these San Diego properties is provided by the "Premium Cooling Efficiency Program", one of the country's most forward-thinking programs for the implementation of energy efficiency solutions.

The Premium Efficiency Cooling Program is part of a statewide initiative in California to improve energy efficiency, reduce peak electricity demand, and curb greenhouse gas emissions. Some of the benefits that property owners have received by participating in the program include:

- Reduced summer cooling bills
- Improved cooling system performance

- Leaner operating costs
- Fewer mid-summer breakdowns
- Reduced peak loads
- Greater comfort

"Once property owners understand that there are financial resources available to assist with the installation of a superior energy management platform for their property and that the savings are immediate, it takes little time for them to commit to the EcoSmart solution," added Hartmann.

On March 13th, 2013, PESF received the Award of Excellence from the Premium Cooling Program in recognition of its success in providing significant energy savings and exceptional customer service to its clients. Since receiving the award, PESF has received requests and commitments from several new hospitality property owners for the installation of Telkonet's energy management solutions.

Jason Tienor, CEO of Telkonet, commented: "On behalf of the entire Telkonet team, I want to congratulate Troy and Pacific Energy Service on the well-deserved recognition received from the Premium Cooling Program, in addition to their outstanding service and performance. We are very pleased with the success we have had with our partnership and look forward to many more years of providing industry-leading technologies for the continuing advancement of a strong and effective national energy management policy."

The impressive and diverse list of hospitality clients currently utilizing Telkonet's EcoSmart energy management technology as a result of Pacific Energy Service's sales efforts include: Holiday Inn, Starwood Hotels, Hyatt Hotels, Renaissance by Marriott, Quality Inn, Radisson, Destination Resorts, Courtyard by Marriott, Best Western Americana, Days Inn, Wyndham Garden, Super 8, Ramada Inn and Doubletree by Hilton, among others.

About Pacific Energy Service

Pacific Energy Service is a diverse company that specializing in energy conservation projects and hotel renovation projects nationwide including Hawaii and the Caribbean. In addition to installing energy-conserving thermostats, the company also installs solar heating solution and computerized boiler controls. In business since 2004, Pacific Energy works mainly in the hospitality, military and education market segments. For more information, visit www.pesfinc.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 EcoGuard energy management outlet and the EcoSwitch energy-efficient light switch 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 help eliminate the need for the construction of new power plants. For more information, visit www.telkonet.com.

For news updates as they happen, follow [@Telkonet](https://twitter.com/Telkonet) on Twitter.

To receive updates on all of Telkonet's developments, sign up for our email alerts [HERE](#).

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).

MEDIA CONTACTS:

Telkonet Investor Relations

414.721.7988

ir@telkonet.com

SOURCE Telkonet, Inc.