

Telkonet Delivers Cutting-Edge Mobile Computing Environment to New Jersey School District

Hamilton Township Schools Expand Online Learning via Broadband over Powerlines

Germantown, MD, Telkonet, Inc. (AMEX: TKO), the leader in providing powerline carrier (PLC) networking solutions using existing electrical wiring, today announced that it has successfully completed the initial deployment of the company's powerline networking platform within multiple K-12 schools in New Jersey's Hamilton Township School District located in Mercer County.

Telkonet now delivers mobile networking connectivity to Crockett, Grice and Reynolds Middle Schools, which have over 1,000 students combined. The school district budget is approximately \$160 million for its enrollment of approximately 13,900 students in 24 schools. Telkonet expects to complete the deployment of its powerline-enabled mobile computing environment within the remaining 21 Hamilton Township community schools sometime in mid-2007.

Telkonet's enterprise IP-over-powerline system, coupled with a newly developed mobile computing lab, is now being used to expand the reach of in-school and remote online learning, quickly and easily deploy new curriculum programs, and support the use of school administration management tools wherever electrical outlets are located.

Ronald W. Pickett, President and CEO of Telkonet, commented, "Since Telkonet's founding, I have viewed the public education system as a significant benefactor of Telkonet's broadband over powerline solution set as it can rapidly, securely and affordably enable the upgrade of communications infrastructure throughout thousands of America's public schools with minimal effort. Enabled by the Telkonet iWire System™ platform, schools throughout the U.S. need not settle for IP networks in isolated computer labs, but rather, can effectively provide data, voice and video solutions at every electrical outlet, in every room, on every floor of every school. Working with Hamilton Township and similar school districts in the U.S., Telkonet will continue to support the development and delivery of mobile and scalable powerline-enabled computing environments where students, teachers and school administrators can quickly gain access to online tools via the network infrastructure that is already in place and operating, the school's existing electrical system."

Andrew Eberhardt, Hamilton Township School District Technology Director said, "Every technology that we considered for the School District to connect our students, teachers and administrators to the Internet was plagued with serious shortcomings. However, with the revolutionary Telkonet system, we were able to overcome significant physical and budgetary constraints to deliver a superb mobile computing environment to students, teachers and administrators throughout several schools in the District. Classrooms can now enjoy continuous

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access to a wide range of digital resources for teaching and learning including new instructional applications and expanded research opportunities all via existing electrical wiring. We look forward to continuing to work with Telkonet to deploy this unique solution throughout the remainder of our system.”

In addition to the Hamilton Township School District, Telkonet is actively negotiating similar deployments with school districts in Illinois, Florida and Texas. The successful beta test now opens up a vast market for Telkonet. The education market operates under several constraints that favor the Telkonet iWire System over wireless and traditional wire line solutions, including the fact that school districts are very cost-conscious and the expense of rewiring older school buildings is extremely prohibitive. Telkonet’s technology transforms a building’s internal electrical wiring into a broadband network platform with minimal disruption and cost. A system can be delivered for an average of \$300-500 per seat in a matter of days. With over 17,000 public school districts in the United States, some much larger than Hamilton Township, and adding in private and parochial schools, Telkonet’s Government Systems team will continue to focus considerable effort to address the extensive potential of this market by offering the unique service nationwide.

About Hamilton Township School District

Hamilton Township School District is sixth-largest school district in the State of New Jersey. Hamilton Township School District encompasses 24 community schools, including 3 high schools, 3 middle schools, 17 elementary schools and one special program school, all dispersed over 40 square miles of Mercer County. The district’s newest school is over 25 year old while its oldest is over 100 years old. Over 2,000 teachers and administrative personnel maintain, manage and support this school district. For more information, please visit <http://www.hamilton.k12.nj.us>.

About Telkonet

Telkonet develops and markets technology for the high-speed transmission of secure voice, video and data communications over in-premise and shipboard electrical wiring. The revolutionary Telkonet iWire System utilizes proven powerline communications (PLC) technology to deliver commercial high-speed broadband access from an IP “platform” that is easy to deploy, reliable and cost-effective by leveraging a building’s existing electrical infrastructure. Telkonet’s products are designed for use in commercial and residential applications, including multi-dwelling units and the hospitality and government markets. Applications supported by the Telkonet “platform” include but are not limited to: VoIP telephones, Internet connectivity, local area networking, video teleconferencing, IP surveillance and a host of other IT services. For more information, please visit www.telkonet.com.