

Media Contacts:

Telkonet Investor Relations, 240.912.1811, ir@telkonet.com
Garrett Axford, Georgina Garrett / Simon Jones, 866.940.9987, +44.1903.854900 mail@garrett-axford.co.uk

For Immediate Release**Telkonet Cements Hospitality Leadership with Ongoing Technology Innovations**

Customer-focused product development meets evolving needs of 4.4 million rooms in North America

December 18, 2009: Germantown, MD – Telkonet, Inc. (OTC Bulletin Board: TKOI), a Clean Technology company that develops and manufactures proprietary energy management and SmartGrid networking technology, continues to evolve its advanced technology solutions for the US hospitality marketplace of 48,000 hotels and 4.4 million rooms, as highlighted by the introduction of the EthoStream Gateway Server Dual (EGS Dual), which provides network redundancy and optimizes HSIA bandwidth. The Telkonet portfolio encompasses both Telkonet and Telkonet Company EthoStream, which provides high-speed Internet access products and customer support services to over 2,300 hotel properties and 197,000-plus rooms, underlining Telkonet's dedicated focus on evolving technology that enables hotel management to realize operational efficiencies and deliver high levels of guest satisfaction. Telkonet's ongoing technology development is based on direct feedback from its customers. Its latest product, the EGS Dual, was developed in response to requests from smaller hotel properties for a low cost, dual gateway, targeting the \$84M hospitality HSIA gateway market.

"By developing best-of-breed IP-based solutions, we have become one of the largest hospitality HSIA providers," said Jason Tienor, President and CEO of Telkonet. "We're continuously focused on leading the industry with innovative technology that maximizes the value of our customers' Internet infrastructure, increasing efficiency, and streamlining operations. The latest EGS Dual is an example of this philosophy, offering mid-scale and limited service properties a way to cost-effectively meet their guests' growing demands for enhanced Internet services including streaming audio and video, gaming and VPN applications with always-on Internet connectivity."

Brian Brandstetter, President of Cornerstone Hotel Management, said, "With our guests using the Internet for social networking and IP-based video services, there is a constant pressure to increase bandwidth. However, for properties like our 78-room Holiday Inn Express in Fort Atkinson, Wisconsin, we don't have the budget for additional, expensive equipment to meet these needs. EthoStream's new gateway solves this problem by aggregating the traffic from the fixed wireless ISP and DSL lines, providing greater bandwidth and delivering maximum performance from our existing infrastructure. It also ensures that if one circuit fails, the other circuit will continue to carry Internet traffic – so our guests will never get disconnected from the Internet. We are looking forward to implementing this new cost-effective solution in our properties."

The EGS Dual, which costs about 50% less than similar product offerings, combines two broadband connections into one single network. It prevents network downtime and accommodates high bandwidth to support applications such as VPN applications and movie downloads. The EGS Dual integrates with EthoStream's web-based Remote Management Console, enabling remote monitoring and management of a hotel's HSIA system centrally from one remote location.

About Telkonet

Telkonet is one of the market-leading Clean Technology companies providing integrated, centrally-managed energy management and SmartGrid networking solutions to the emerging \$50 billion SmartGrid and Energy

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Efficiency markets. As a provider of “negawatts,” Telkonet’s products improve energy consumption and reduce the demand for new energy generation. Telkonet is one of the top three occupancy-based energy management control providers in each of the hospitality, commercial, military, healthcare and education markets. The Company’s in-room energy management systems are lowering heating and cooling costs in over 170,000 rooms and are an integral part of various utilities’ green energy efficiency and rebate programs.

Primarily targeting SmartGrid and utility applications, Telkonet’s patented powerline communications (PLC) platform delivers cost-effective, robust networking, with real-time online monitoring and maintenance capabilities, increasing the reliability and energy efficiency across the entire utility grid. www.telkonet.com.

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The EthoStream Gateway Server Dual (EGS Dual), the first affordable dual WAN gateway for smaller properties, virtually eliminates network downtime and maximizes available bandwidth, ensuring guest satisfaction with media-rich Internet applications.

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