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For Immediate Release**Telkonet Begins Trading on the OTC Bulletin Board**

December 8, 2009: Germantown, MD – Telkonet, Inc. (OTC Bulletin Board: TKOI), a Clean Technology company that develops and manufactures proprietary energy management and SmartGrid networking technology for the emerging \$50 billion SmartGrid and Energy Efficiency markets, announced today that its common stock has begun trading on the OTC Bulletin Board under the ticker symbol TKOI. Jason Tienor, President and Chief Executive Officer of Telkonet, commented, “This move to the OTCBB enables the company to increase our corporate visibility, enhance liquidity for our shareholders and make it easier for prospective investors to purchase our common stock. It is also key in successfully penetrating our targeted vertical markets and in addressing the enormous demand for energy efficiency and SmartGrid technologies supported directly through federal initiatives.”

About Telkonet

Telkonet is one of the market-leading Clean Technology companies providing integrated, centrally-managed energy management and SmartGrid networking solutions that improve energy efficiency 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, health care and education markets. The Company’s energy management systems are lowering heating and cooling costs in over 170,000 rooms out of the more than 8 million available in the US, 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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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).