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For Immediate Release**Telkonet Positions for Growth in Energy Management Segment and Hospitality HSIA Market with Expanded Sales Team**

February 3, 2010: Germantown, MD – Telkonet, Inc. (OTC Bulletin Board: TKOI), a leading Clean Technology company focusing on proprietary energy management and SmartGrid networking technology, today announced that it has expanded its sales team, including the appointment of Dan Smith as Energy Management Sales Associate. Dan Smith will be broadening Telkonet’s energy management sales, primarily focusing on the Education market including student housing and dormitories in colleges and universities. With 650 colleges and universities signing the American College and University Presidents Climate Commitment (ACUPCC), each campus is dedicated to reach carbon neutrality and reduce greenhouse gas emissions. By augmenting its sales team, Telkonet can address this growing market, helping colleges and universities to achieve sustainability goals with Telkonet’s SmartEnergy energy efficiency systems.

In total, Dan Smith brings over twenty years experience with a proven track record in developing and expanding sales for national brands. Smith has extensive sales experience in the hospitality industry, including managing sales for the worldwide leader in guestroom security, ASSA ABLOY. Smith held sales management positions at Acosta, an in-store sales, marketing and service company, as well as Shasta and Procter & Gamble.

Telkonet has also boosted its inside sales team, reflecting the additional market opportunities for the EthoStream Hospitality Network’s integrated HSIA management platform and proactive, in-house customer support. A key objective will be to expand the company’s market share into the full-service luxury hotel market, building on the strong established hospitality customer base of over 2,350 properties. With an expanded sales team, Telkonet will be positioned to increase its hospitality market share as the hotel industry begins to regain its footing in 2010, with hotel occupancy rates expected to increase in 2010¹ and momentum expected to build in the second half of 2010².

Jeremy Griesbach, Vice President of Global Sales, said, “We regard this as an extremely important phase in the market, as the country starts to come out of the recession. By investing in our sales team at this time, we can accelerate our efforts to penetrate the rapidly-growing Clean Technology energy market, as well as penetrating larger, full-service and resort properties. The success of our energy management business to date underlines its ongoing potential, and we continue to focus on maintaining our leadership position. We’re also gaining traction with our initiatives in the Education market, and are ready to widen our presence in this growing sector. These are exciting times, and Telkonet is confidently positioning itself to grow its Clean Technology business through dynamic measures.”

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 Efficiency markets. As a provider of “negawatts,” Telkonet’s products improve energy consumption and reduce

(more)

¹ Pricewaterhouse Coopers’ U.S. Lodging Forecast

² Smith Travel Research

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 180,000 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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