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For Immediate Release**Telkonet Expands PLC Product Line for Utility Substation Applications with New DIN-Rail Adapter**
Delivering faster installations and reduced labor costs with Telkonet's secure PLC networks for substation automation projects

July 28, 2009: Germantown, MD – Telkonet, Inc. (NYSE Amex: TKO), a Clean Technology company that develops and manufactures proprietary energy management and SmartGrid networking technology, announces a time and labor-saving addition to its ground-breaking 200 Mbps Telkonet Series 5™ powerline communications (PLC) system, with the introduction of the new DIN-Rail mounting adapter. Designed for use with the Telkonet iBridge™ converter unit, Telkonet's new DIN-Rail adapter overcomes the problems of limited space in utility substation equipment cabinets, enabling the Telkonet iBridge units to be mounted vertically for maximum efficiency. The DIN-Rail adapters substantially decrease installation times, simply snapping onto the standard DIN-rails used for equipment mounting. The Telkonet Series 5 System uses existing electrical wiring within a substation to provide a highly reliable, secure communications network, enabling proactive monitoring of transformers and other equipment to improve reliability and save operation and maintenance costs.

As a lower cost, rapid deployment hard-wired secure communication platform, the Telkonet Series 5™ system is rapidly becoming the system of choice for many utility substation installations, as an alternative solution to costly fiber-laying or potentially insecure wireless solutions. The Telkonet iBridge™ units provide a secure link between the Circuit Breaker Monitors (CBM) and the data collectors in the Control House, and are widely used for online Dissolved Gas Analyzer (DGA) and substation transformer monitoring. With Telkonet's latest labor-saving additions, a substation can typically be installed with the Telkonet Series 5 platform within a single day.

Telkonet is currently working on a major substation project in partnership with power transformer control and communications specialist, Dynamic Ratings of Pewaukee, WI, involving a major substation automation upgrade program for a large West Coast utility. More than ten substations installations have now been completed, using a combination of Telkonet iBridges installed with the new DIN-Rail adapters and the new inductive Telkonet Couplers™ that eliminate the need for circuit hard-wiring.

Dynamic Ratings' General Manager, Tony Pink explains the significant benefits of using this product in lieu of traditional approaches. "The PLC system from Telkonet is many times cheaper and faster than installing fiber and it avoids the security concerns utilities have with radio systems. Based on our positive experience with the Telkonet Series 5 products, we are already implementing this PLC technology for other customers. With the focus on smart grid technologies and the benefits offered by getting more detailed monitoring analytics back from the substation assets, utilities are more interested than ever in this type of technology. And, with 88,000 substations in the US, there are plenty of installation sites that can benefit."

Telkonet Series 5 has been designed specifically to meet high performance, critical applications, setting unprecedented performance levels for security, speed, signal quality and capacity. The system is comprised of compact building blocks. At the equipment end, a Telkonet iBridge unit couples the signal onto a power

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conductor. Inside the control building, the Telkonet Coupler and Telkonet Gateway take the signal from the power conductor and connect to the substation gateway or the site's external broadband feed. For installations where additional signal strength is needed, the Telkonet eXtender™ can be connected to provide additional reach.

About Telkonet

Telkonet provides integrated, centrally-managed energy management and SmartGrid networking solutions that improve energy efficiency and reduce the demand for new energy generation. The company's energy management systems, aimed at the hospitality, commercial, government, healthcare and education markets, are dynamically lowering HVAC costs in over 140,000 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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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 revenues 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).