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For Immediate Release**Telkonet Awarded \$1.2 Million SmartEnergy™ Efficiency Retrofit Project on Military Base**

Company's largest military installation to date with over 3000 housing units

April 19th, 2010: Milwaukee, WI – Telkonet, Inc. (OTC Bulletin Board: TKOI), a Clean Technology company that develops, manufactures and sells proprietary energy management and SmartGrid networking technology, today reported that its Telkonet SmartEnergy™ (TSE) system has been selected for installation in over 3,000 units of an east coast military base's housing. The TSE system will improve energy efficiency by adjusting and maintaining each room's temperature based on occupancy, using a combination of occupancy sensors and packaged terminal air conditioner (PTAC) controllers. Telkonet was selected for this contract because of the energy savings that will be recognized with the SS1107 equipment line, the most versatile energy savings system available for older PTAC units.

"This is a strategic win in our efforts to demonstrate SmartEnergy™ efficiency savings in military housing," said Jeffrey Sobieski, COO of Telkonet. "With over 3,000 units, this will be our largest military installation to date. Winning a place in this extensive energy efficiency project further enhances Telkonet's position as a leader in energy management and highlights the opportunities for SmartEnergy™ systems specifically within the government and military markets."

Awarded in March, the \$1.2 million TSE contract is part of an energy efficiency project coordinated by a large Energy Services Company (ESCO), encompassing military bases across the east coast. During this 9 month project, more than 3,000 housing units in over 30 different buildings will be installed with Telkonet SmartEnergy™ equipment, including Telkonet's SS1107 PTAC controllers and hardwired SS2000 occupancy sensors.

Utilizing Telkonet's patented Recovery Time™ technology, TSE eliminates wasteful heating and cooling of vacant rooms without compromising an occupant's comfort. In rooms with PTACs, the SS1107 Energy Management Controller maintains the occupant's preferred temperature setting while the room is occupied. When vacant, the SS1107 works with the PTAC unit to adjust the temperature to a new energy efficient setting. The new efficient temperature is maintained until the occupant re-enters the room, at which time the SS1107 allows the PTAC to return to the occupant's original temperature setting within a predetermined Recovery Time™.

About Telkonet

Telkonet is a market-leading Clean Technology company providing integrated, centrally managed energy management and SmartGrid networking solutions to the emerging SmartGrid and Clean Technology industries. Telkonet is a leading occupancy-based energy management provider 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.

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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).