

Lime Energy To Expand Work For Major California Utility

Utility To Save Approximately \$250,000 Annually from Reduced Energy Cost

ELK GROVE VILLAGE, Illinois, July 18, 2007 – Lime Energy Co. (OTCBB: LMEC) today announced it was recently awarded an energy efficient lighting system retrofit project for another twenty (20) facilities owned and operated by a Major California Utility. This project comes after the previously announced successful completion of a similar upgrade to four other facilities.

This new project is expected to generate approximately \$1,000,000 of revenue for Lime Energy and is expected to save the Utility Customer approximately \$250,000 in annual energy costs. The Utility will be able to utilize over \$110,000 in energy reducing incentive dollars for the project, which will offset their capital requirements and shorten the payback period. Burke Ewers, who has led these projects for Lime Energy from inception, stated that “In addition to the hard dollar savings, the permanent annual reduction of 525 kW of electrical demand will contribute to reducing the strain on the California electrical system during peak and non-peak demand periods. As a result of the reduced electricity demand requirements, we estimate the State of California and the rest of the Country will receive the following annual environmental benefits through the elimination of:

- 2,427,579 million lbs of Carbon Dioxide
 - the leading cause of **Global Warming**
- 125 lbs of Sulfur Dioxide
 - the leading cause of **Acid Rain**
- 839 lbs of Nitrogen Oxides
 - the leading cause of **Smog and Acid Precipitation”**

“Being selected by this leading California utility to help them become more energy efficient with their own electricity requirements is an honor for our Company and a true testament of how far Lime Energy has come in a very short period of time,” commented David Asplund, CEO of Lime Energy. “Here is a major California Utility, in the business of selling electricity to consumers, utilizing our energy efficient solutions to reduce their own electricity costs. In California, as in most other areas of the Country, there is an urgent need to conserve power. There is an unprecedented consensus from business owners, politicians and our population as a whole that the continued growth in demand for electricity must be managed in an economically viable yet environmentally responsible way. Lime’s efficiency solutions are direct preventative measures that are greener than any alternative energy, are extremely cost effective and offer significant financial rewards for our clients. Like our Utility customer, we are seeing more and more businesses explore alternative methods to reduce their respective electricity consumption and bring value to their organizations through more efficient operations,” concluded Mr. Asplund.

About Lime Energy

Lime Energy is one of the nation's leading energy efficiency technology and engineering companies. Lime brings together more than 75 years of experience in design, engineering and installation of energy efficient solutions providing customers with guaranteed saving results and high returns on invested capital. The company's stock is traded on the OTC Bulletin Board under the symbol LMEC. Additional information is available at the company's website at www.lime-energy.com or by calling 847-437- 1666.

FORWARD-LOOKING STATEMENTS

This news release includes forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 including statements that reflect Lime Energy's current expectations about its future results, performance, prospects and opportunities. Lime Energy has tried to identify these forward-looking statements by using words and phrases such as "may," "expects," "anticipates," "believes," "intends," "estimates," "plan," "should," "typical," "preliminary," "hope," or similar expressions. These forward-looking statements are based on information currently available to Lime Energy and are subject to a number of risks, uncertainties and other factors that could cause Lime Energy's actual results, performance, prospects or opportunities in the remainder of 2007 and beyond to differ materially from those expressed in, or implied by, these forward- looking statements. These risks are referenced in Lime Energy's current Annual Report on form 10-K or as may be described from time to time in Lime Energy's subsequent SEC filings; and such factors as incorporated by reference.

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