

## **Applied Energy Management Awarded NYPA Contract**

*Contract to provide an estimated \$10 million in energy efficiency upgrades for select facilities*

ELK GROVE VILLAGE, Illinois—(October 1, 2008)—Lime Energy (NASDAQ: LIME) announced today their Applied Energy Management (AEM) subsidiary has been awarded a competitively bid contract to provide energy efficiency services for the New York Power Authority (NYPA). Under the five year contract, AEM will provide energy efficiency upgrades including the implementation of energy efficient lighting, lighting occupancy controls and energy efficient motors for selected facilities in the five boroughs of New York City and parts of Westchester County. Services will include conducting feasibility studies, evaluating existing and proposed systems, developing designs, purchasing equipment, supervising installation, and final equipment commissioning. The value of the contract is estimated to be \$10 million in total.

According to John O'Rourke, President and CEO of AEM, "This contract represents the types of services that AEM performs for other Energy Service Companies across the country. We are delighted to have the opportunity to work with NYPA in their Southeastern New York (SENY) program and look forward to being a key contributor to the SENY Program Implementation Plan."

### **About NYPA**

NYPA is the nation's largest state-owned electric utility, with 18 generating facilities across New York State, and more than 1,400 circuit-miles of transmission lines. NYPA is a leader in promoting energy-efficiency, advanced energy technologies, and electric transportation initiatives.

### **About Lime Energy Co.**

Lime Energy is a leading provider of energy efficiency solutions that enable our clients to reduce their energy-related expenditures and the impact of their energy use on the environment. Our clients include commercial and industrial businesses, property owners and managers and energy service companies serving government and educational institutions. Our core Energy Efficiency Services business provides energy engineering and consulting services as well as the development and implementation of energy efficiency lighting upgrade services, mechanical and electrical conservation services, water conservation services and renewable energy solutions. Through our Energy Technology business, we also offer a proprietary line of intelligent controllers that provide continuous management of HVAC and lighting equipment using wireless communication technology in order to reduce energy usage and improve system reliability. The company's stock is traded on NASDAQ under the symbol LIME. Additional information is available at the company's website at [www.lime-energy.com](http://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 2008 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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