

Lime Energy Saves 2 Million kilowatt-hours at Harrah's in San Diego

New technology saves energy without noticeable effect

Elk Grove Village, Illinois, October 29, 2008 – Lime Energy (NASDAQ: LIME) and Harrah's Rincon Resort and Casino today announced they have completed an energy efficiency retrofit project that produces significant benefits to the resort and to the environment. The project includes new light emitting diode (LED) technology in elevators, recessed downlights and outdoor signage. Lighting with LED uses about 1/7th to 1/10th the energy of standard lighting and lasts at least 10 times longer, to significantly reduce maintenance costs.

In addition to utility bill savings, the permanent reduction of 2 million kilowatt-hours per year in energy use generates the following environmental benefits each year:

- Avoids the emission of 1.8 million pounds of carbon dioxide, which is the leading cause of global warming
- Avoids the emission of 1,200 pounds of sulfur dioxide, which is the leading cause of acid rain
- Avoids the emission of 1,600 pounds of nitrogen dioxide, which is the leading cause of smog and acid precipitation
- The emissions avoided are the equivalent of removing 150 passenger cars permanently from the road

"Our goal was to save energy in a way that would not diminish our guest experience," said Brendan O'Kane, Property Operations Manager for Harrah's Rincon. "The lighting technology provided by Lime Energy helped us exceed our goal by delivering energy savings of \$200,000 per year, and significantly reducing my maintenance budget. This is really a great win for all of us because not only are we saving money here at the resort, we are reducing greenhouse gas emissions by taking less electricity from the grid."

According to Cliff Knutson, Director of Lighting Technology for Lime Energy, LED lighting provides the same visual impact as the technology it replaces, so unless a person was one of a few experts in the field, the difference would never be noticed. "Lighting with LED allows the property owner to select the color of the lights, and choose the maximum light output or 'brightness', without giving up the dimming capability," said Knutson. "Probably the best benefit of all is the incredibly long life, so when considering a casino's 24/7 operation, this is extremely important since constantly changing burned out lights is disruptive."

"Lime Energy is proud to bring this energy efficiency solution to Harrah's Rincon," said Dan Parke, President and COO of Lime Energy. "Lighting with LED is relatively new, and because Lime Energy is independent from any lighting manufacturer, we can make the very best choice among several new technologies to meet the specific needs of each one of our customers. This installation is another example of innovation to help solve the serious problem of global warming. We are putting people to work through these energy efficiency retrofits and it feels good to contribute positively to the climate issue and helping to improve the economy."

About Harrah's Rincon Casino & Resort

Winner of the 2007 SHRM Workplace Excellence Award (Marble Award in the Large Company category) and owned by the Rincon San Luiseño Band of Mission Indians and managed by HCAL, a subsidiary of Harrah's Operating Company, Harrah's Rincon Casino & Resort is located at 777 Harrah's Rincon Way (33750 Valley Center Road) in Valley Center, CA, 20 minutes northeast of Escondido. With approximately 1,600 employees and an identity as a top resort-gaming destination, the casino offers state-of-the-art amenities and the unparalleled customer service that has made Harrah's a nationally recognized brand.

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 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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