

Lime Energy Retrofit Saves Energy for Pacific Volkswagen

Hawthorne, CA dealership dedicated to improving the environment

ELK GROVE VILLAGE, Illinois, December 3, 2008 – Lime Energy (NASDAQ: LIME) today announced it recently completed an energy efficiency retrofit project for the Sullivan Automotive Group at Pacific Volkswagen in Hawthorne, California. The project included a complete redesign and replacement of the lighting in the office and shop areas. "We have truly just begun," said Mike Sullivan, President and Owner of LAcARGuy.com/Sullivan Automotive Group. "We are so excited about taking a relatively wasteful industry and applying a very progressive approach. Whether it is the shop retrofit, the light sensors, building with renewable products at the new body shop, or solar panels on my house, we are on a path to saving as much energy as we can."

The new lighting design is projected to save over \$10,000 per year in electricity costs and lighting maintenance. Overall, the project is expected to pay for itself in less than three years, for a first year return on investment of over 38%. In addition to the hard dollar savings, the permanent reduction of 65,000 kilowatt-hours of electricity saved provides the following environmental benefits each year:

- 117,000 pounds of Carbon Dioxide
 - the leading cause of **Global Warming**
- 1,491 pounds of Sulfur Dioxide
 - the leading cause of **Acid Rain**
- 502 pounds of Nitric Dioxide
 - the leading cause of **Smog and Acid Precipitation**
- 10 passenger **cars removed** from the road this year.

According to Chris Hirt, Service Shop Foreman at Pacific Volkswagen, "The new retrofit makes the shop atmosphere more inviting, adding brightness to help us work more effectively and efficiently. Another way we now save energy is by turning on the lights one-at-a-time as we need them. Before the Lime Energy retrofit, all the shop lights were on all the time."

"This project is another example of saving energy in the automotive sector where the benefits are more than simply a good return on investment. In this economy, dealerships need to cut costs and improve service," said Dan Parke, President and COO of Lime Energy. "We applaud Mike Sullivan and his team while they work out the best way to provide an attractive facility for customers and employees; while at the same time, producing environmental benefits through energy efficiency."

About Sullivan Automotive Group

Sullivan Automotive Group is also known as LAcARGuy.com, and offers automotive products and services to our greater Los Angeles area customers. The company carries a comprehensive line of vehicles by Toyota, Scion, Audi, Volkswagen, Lexus and Porsche, providing new and used cars, along with trusted car

repair, original car parts, and financing. Sullivan sells the Volkswagen's Jetta TDI, named at the 2008 Los Angeles Auto Show as the Green Car of the Year, beating out four other vehicles -- including two hybrids.

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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