

Lime Energy Completes Energy Efficiency Retrofit for HO Manufacturing

Redmond, WA Facility Saves Energy and Improves Operations

Elk Grove Village, Illinois, January 27, 2009 – Lime Energy (NASDAQ: LIME) today announced it recently completed a comprehensive redesign and upgrade of the lighting systems for HO Manufacturing in Redmond, Washington. The project resulted in a significant energy efficiency retrofit project that is projected to save nearly 201,000 kilowatt-hours (kWh) per year. “We are very happy to follow our customers’ lead in working hard to identify and incorporate green initiatives. We are proud that in the process we are doing our share to protect the environment with this project,” said CJ Vlahovich, VP of Sales for HO Manufacturing.

The project received a direct grant of \$28,895 from Puget Sound Energy which paid for almost one-half the cost. The new lighting design is expected to generate nearly \$18,000 per year in utility bill savings, resulting in a 73% return on investment for HO Manufacturing.

In addition to the hard dollar savings, the permanent reduction of 201,000 kilowatt-hours per year in energy use resulting from this project provides the following environmental benefits annually by eliminating:

- 362,149 pounds of Carbon Dioxide
 - the leading cause of **Global Warming**
- 4,579 pounds of sulfur dioxide
 - the leading cause of **Acid Rain**
- 1,548 pounds of nitric dioxide
 - The leading cause of **Smog and Acid Precipitation**
- 31 passenger **cars removed** from the road each year.

“We have taken a giant step here because 100% of the old metal halide lights have been removed and most of the new lights are now on sensors, enabling our shipping bays to go dark when nobody is using them,” said Steve Allen, Distribution Manager for HO Industries. “Any time we can keep our lights off, we save in direct electricity on the lighting. In addition to the savings we gain from the new energy efficient fluorescent lights, we also benefit from a more natural color in the facility. Overall, we are very pleased with the financial benefit, the opportunity to help the environment, and the result is a brighter environment for our employees to work in,” added Mr. Allen.

“This project was complicated by several different lighting needs at this facility, including by the mixture of light fixtures and zones in the warehouse and production areas,” according to Andy Gerde, Senior Account executive for Lime Energy in Redmond, WA. “Our capabilities and experience really showed here because the best solution involved using our computerized design tools to provide the right light levels with the least electricity input. Energy efficiency is critical to the environment right now and it is very satisfying to use technology to light this space the way we did and save energy at the same time,” concluded Mr. Gerde.

About HO Sports Company, Inc.

HO Sports Company Inc., based in Redmond, WA is the premier company for design, manufacturing, distribution and service of water sports products. The company is known for innovative and reliable products that are the brand of choice from the novice to the most proficient water sports enthusiast. HO Sports Company Inc. is comprised of Hyperlite Wakeboards, the designer, marketer and distributor of wakeboards, wakeboard bindings, wakeskates, wakesurfers, apparel, and accessories. Byerly Board Company, which designs, markets and distributes wakeboards, wakeboard bindings, wakeskates, apparel, and accessories. HO Skis, which designs, markets and distributes waterskis, kneeboards, inflatables, and accessories. Accurate Lines, which designs, markets and distributes water ski and wakeboard tow lines. Their newest product group is Wakekite, which designs, markets and distributes towable kites to create a new big-air experience behind the boat.

About Lime Energy

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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