

## **Applied Energy Management Awarded Water Conservation Contract**

ELK GROVE VILLAGE, Illinois—February 2, 2009—Lime Energy (NASDAQ: LIME), a leader in energy efficiency solutions, today announced their Applied Energy Management (AEM) subsidiary has been awarded a contract to provide water conservation upgrades for a Correctional Facility in Maryland. Under the contract with an ESCO partner, AEM will install water saving technologies including new low flow water closets and faucet aerators in common areas and foot pedal control valves on kitchen sinks. In addition, AEM will be installing a new automated water control system which will provide even greater water savings without the need to replace existing tamper proof water closets in the cells. The value of the contract is approximately \$1 million.

“This project is a good example of how customers can reduce their water usage and cost,” stated Jim Smith, Vice President of AEM. “Projects like this typically reduce water usage by 25%-30% resulting in conservation of water resources as well as reductions in water, water heating and sewage bills.”

“Water conservation has become an extremely important component of energy efficiency and conservation measures,” stated David Asplund, CEO of Lime Energy. “More and more states across the country have, or are considering mandates to conserve water. For example, any building owned, leased or managed by the state of Maryland is required to reduce their water use by 10% by the year 2010. The Federal Government issued an Executive Order in 2007 to reduce water use by federal facilities 2% annually through fiscal year 2015. The Environmental Protection Agency (EPA) established their own internal goal to reduce its total water use by 15 percent by 2010. We see this as an exciting, important, and growing business for our partners and Lime Energy,” concluded Mr. Asplund.

### **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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