

Lime Energy Completes Gensco Tacoma Multi-Phase Energy Efficiency Retrofit

Regional distribution company receives new sensor-based lighting in its third project with Lime Energy

ELK GROVE VILLAGE, Illinois, **February 17, 2009** - Lime Energy (NASDAQ: LIME) today announced it recently completed an energy efficiency retrofit project for the Gensco distribution center in Tacoma, Washington. The project, designed and installed by Lime Energy's local office in Redmond, WA used high efficiency lighting fixtures to save energy when lights are on, plus occupancy sensors throughout the building to save energy in warehouse aisles that are temporarily unoccupied. Energy efficiency retrofits were previously completed by Lime Energy at two other Gensco buildings in Seattle and Kirkland, WA.

The retrofit project received nearly \$182,000 in energy efficiency grant funding from Tacoma Power to help offset Gensco's capital requirements; and the project is anticipated to save over \$50,000 annually from reduced energy and maintenance costs. The combination of the grant funding from Tacoma Power together with the annual savings gives this installation a projected 64% return on investment in the first year after installation. In addition to the hard dollar savings, the permanent reduction of 124 kilowatts in electrical demand and over one million kilowatt-hours in electricity use savings, this project provides additional annual environmental benefits annually by eliminating:

- 1.9 million pounds of Carbon Dioxide
 - the leading cause of **Global Warming**
- 24,000 pounds of Sulfur Dioxide
 - the leading cause of **Acid Rain**
- 8,200 pounds of Oxides of Nitrogen (NOx)
 - the leading cause of **Smog and Acid Precipitation**
- which is equal to 176 passenger **cars removed** from the road this year.

"We are developing a good partnership because this distribution center in Tacoma now marks the third retrofit of a Gensco building by Lime Energy," said John McKenna, Vice President of Tacoma Distribution at Gensco. "The new lighting is a very positive enhancement to our facility here," continued Mr. McKenna. "We have seen improved energy and morale among our team members in our warehouse, manufacturing areas, and offices. Along with the new efficient fixtures, the motion sensors that were installed by Lime Energy are really paying off, giving us more energy savings by keeping lights off when they are not needed."

Gensco's McKenna specifically included Tacoma Power as key to taking the efficiency step. "Jon Palmer-Williams of Tacoma Power was a resource who really helped us through all of the steps in this process. Tacoma Power was there to give an impartial view of the energy cost savings, and of course, their outright grant of \$181,997 was a terrific motivator to get this project underway and completed."

"At Tacoma Power, we know that when power is saved by conserving, less power must be generated by other means. In cases like this, we buy power savings in the form of an incentive payment, which goes toward the cost of the efficiency improvement the customer wants," said Tacoma Power's Jon Palmer-Williams. "By installing these high-efficiency lighting fixtures through Tacoma Power, Gensco will see a short return on investment and a long-term annual energy cost savings of about \$42,000. I was happy to help Gensco through this process, which is already saving them energy and money."

"We are pleased to complete this third project for Gensco here in Tacoma and look forward to additional work in our Northwest Region," said Dan Parke, President of Lime Energy. "Our offices across the county are growing their business, providing local jobs, and saving energy; and we are proud to be providing the jobs and energy savings that our Nation is looking for right now," concluded Mr. Parke.

About Gensco

Gensco is a wholesale distributor of Heating, Ventilating and Air Conditioning (HVAC) supplies and equipment serving the Northwestern United States. Gensco began business in 1947 as the General Sales Company. Over the last sixty years, Gensco has grown and currently operates from twenty-five locations in Washington, Oregon, Alaska, Montana and Idaho. The company has approximately 700 employees. Gensco Corporate Offices, main distribution center and Columbia manufacturing division are located in over 500,000 sq. ft in Tacoma, WA, approximately 25 miles south of Seattle.

About Lime Energy Co.

Lime Energy is a leading provider of energy efficiency and renewable energy design/build solutions. The Company performs energy efficiency engineering and consulting as well as the development and implementation of energy efficient lighting, HVAC, water, weatherization, and renewable energy solutions. Lime Energy's clients include commercial and industrial businesses, building owners, property management companies as well as federal, state and local government agencies through energy service company (ESCO) partners. 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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