

## **US Army Corp of Engineers Approves Transfer of Contract to Lime Energy**

*Applied Energy Management subsidiary to compete for Facility Repair and Renewal program awards under an existing Multiple Award Task Order Contract*

ELK GROVE VILLAGE, Illinois—(September 29, 2009)—Lime Energy (NASDAQ: LIME) announced today its Applied Energy Management (AEM) subsidiary has been approved to assume and provide services under a Multiple Award Task Order Contract for the US Army Corp of Engineers (USACE) Facility Repair and Renewal (FRR) program. Lime Energy now becomes one of three companies to hold an unrestricted award for the FRR program. The contract allows the three companies to compete for task orders in the program from a shared pool which was originally \$276 million and has an estimated \$200 million remaining after already-awarded task orders. Jim Smith, President of AEM, commented that “we are very excited the USACE has approved AEM for the FRR program and look forward to working with them to continue our tradition of exceptional design build performance.”

The FRR program offers a fast track efficient method for design and execution of all types of facility repair and renewal projects for customers including the Army, Air Force, Navy, Marines, National Guard, NASA, State Department and Government Accounting Office. No task orders were acquired with the contract. This Indefinite Delivery/Indefinite Quantity (ID/IQ) contract will have firm fixed price, cost-plus-incentive fee, or time and materials task orders. The original contract duration provided for a one year base award period and four option years for a total of five years. The first option year began on July 24, 2009. Further option years are at the discretion of the USACE.

“This is our first ID/IQ contract” stated John O’Rourke, Chief Operating Officer of Lime Energy. “ID/IQ contracts are an efficient and cost-effective way to execute federal projects throughout all 50 states plus the US territories and may also be an effective delivery vehicle for upcoming Federal stimulus spending. We believe Lime Energy, with our 20 year background in energy efficiency, provides a unique and distinct skill set for facility energy infrastructure projects like those contemplated under the FRR Program and look forward to this exciting opportunity,” concluded Mr. O’Rourke.

About Lime Energy Co.

Lime Energy is a leading provider of integrated energy engineering, consulting and implementation solutions specializing in improving the energy efficiency of our clients’ facilities, reducing their operating costs and carbon emissions. We focus on two specific markets: the commercial and industrial market, including utilities, and the public sector market, working primarily with energy service companies (“ESCOs”). Our clients include commercial and industrial businesses, property owners and managers, utilities, and ESCOs serving U.S. government and educational institutions. We focus on

deploying solutions to reduce the energy-related expenditures of our client's facilities and the impact of their energy use on the environment, including energy efficient lighting upgrades, energy efficiency mechanical and electrical retrofit and upgrade services, water conservation, weatherization and renewable project development and implementation. We provide energy efficiency solutions across all of our clients' facilities, ranging from high-rise office buildings to manufacturing plants, retail sites, mixed use complexes and large, government sites to small, local facilities. 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 2009 and beyond to differ materially from those expressed in, or implied by, these forward- looking statements. These risks include the risk that there is no assurance that AEM will be awarded task orders under the contract and the risk factors described 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; such factors are incorporated here by reference.

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