

Lime Energy Helps Frankston Packaging Improve Efficiency

Texas-based carton plant improves operations with 100% return on investment in one year

ELK GROVE VILLAGE, Illinois, October 6, 2009 - Lime Energy (NASDAQ: LIME) today announced the completion of energy efficiency improvements at Frankston Packaging Co., an independent folding carton converter in Frankston, Texas. The project is anticipated to return 100% of the net investment in the first year because of reduced electricity use, reduced maintenance expenses, accelerated depreciation tax treatment from EPAct, and a rebate from Oncor, the local electric utility.

“Aside from the financial benefit here, we now have much more uniform lighting throughout our operation,” said Kyle Eldred, Frankston’s President. “The old lighting gave us inconsistent brightness and color, and required us to inventory a number of light fixtures. The new lighting system is uniform throughout the plant and the warehouse, and requires us to inventory only one lighting product for maintenance. These lights also last about 3 ½ times longer than the lights we used in the past.”

The plant is located in northeastern Texas, about 100 miles from Dallas and in an area with relatively low electricity rates. In addition to reducing Frankston’s fixed utility costs, the annual electricity savings is expected to provide the following environmental benefits each year:

- 470,000 fewer pounds of Carbon Dioxide
 - the leading cause of **Global Warming**
- 1,800 fewer pounds of Sulfur Dioxide
 - the leading cause of **Acid Rain**
- 1,100 fewer pounds of Oxides of Nitrogen
 - the leading cause of **Smog and Acid Precipitation**
- The equivalent of 41 passenger **cars removed** from the road this year.

Lime Energy also evaluated the facility’s air conditioning, compressed air, and measures to improve the building envelope for the company. Frankston Packaging has steadily improved its operational efficiency over the years. “Including this project, we have invested \$4 million since 2006 to improve our operations efficiency and increase our throughput by reducing set-up time and investing in faster technology,” said Norm Bullock, Frankston Vice President of Operations. “Our business is healthier as a result of these investments because our energy use per unit of production is 21% lower than it was four years ago. With energy costs where they are and where they are going, efficiency is the key to success and our overall energy and operations strategy has really paid off.”

About Frankston Packaging

Founded in 1957, Frankston Packaging Company is a full service manufacturer of Paperboard and Vinyl Folding Cartons, Litho Laminated Corrugated Display, Rigid/Set-Up Boxes, Vinyl Boxes and Overhead Transparency Films. Our ability to manufacture all of the above products under one roof makes us unique in this industry. With over 50 years of history, Frankston Packaging Company is a leading manufacturer of folding cartons in the South Central United States with distribution outlets throughout the US and Canada. More information is available at www.frankstonpackaging.com or by calling 1-800-881-1495.

About Lime Energy

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 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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